1868

INTERNATIONAL COINAGE.

I. REPORT OF SENATOR SHERMAN.

II. REPORT OF SENATOR MORGAN.

III. BILL TO ESTABLISH A UNIFORM COINAGE.

IV. REPORT OF MR. S. B. RUGGLES.

IN THE SENATE OF THE UNITED STATES,
June 11, 1868.

Ordered, That five thousand copies of the amended bill reported from the Committee on Finance, relating to international coinage, together with the reports thereon, and the report of Samuel B. Ruggles, commissioner of the United States to the Paris Monetary Conference, be printed for the use of the Senate.

Attest:

GEORGE C. GORHAM, *Secretary*.

INTERNATIONAL COINAGE.

I.—REPORT OF SENATOR SHERMAN.

The following documents have been referred to the Committee on Finance:

1st. S. 217, in relation to the coinage of gold and silver.

2d. S. 412, to promote uniformity of coinage between the moneys of the United States and other countries.

3d. The proceedings of the International Monetary Conference, held at Paris in June, 1867.

4th. The report of Samuel B. Ruggles, esq., delegate from the United States in the International Monetary Conference at Paris, November 7, 1867.

5th. Sundry memorials relative to changes in our system of coinage.

These documents present to the Committee of Finance the interesting question of international coinage, and in considering them we necessarily inquired:

1st. Whether the object proposed was of sufficient importance to justify a change in the coinage of the United States.

2d. Whether the plan proposed by the Paris conference was the best mode to accomplish the end desired.

3d. What legislation was necessary on the part of the United States to adapt our coinage to the plan proposed.

4th. What provision should be made for existing public and private contracts.

Your committee, after a partial consideration of these questions, direct that the bill first named be reported with amendments, supported by the following report, and that Mr. Morgan, of the same committee, be authorized to submit a report adverse to the bill and that these reports be printed, and that the bill be postponed until the next session, with a view to elicit a fuller discussion by the people of the several questions embraced in the bill.

The importance of a common monetary standard among commercial nations has always been conceded. It has been the hope of philosophers and statesmen and the demand of writers on political economy for centuries, but has been as strongly opposed by the jealousies of locality and the interests of rival nations. Commerce and peace have steadily approximated different standards of exchange towards each other, while local interests and war have as steadily diverged them from each other. In all ages local and generally despotic authority has endeavored to make more money out of a given amount of gold and silver by clipping or alloy, while the general laws of trade and commerce have soon after reduced the current value of the money as it was reduced in weight and fineness. Formerly, not only each nation, but each province, duke, bishop, or municipality, made its own separate and distinct coin, often of the same name but different values. The effort to unitize the different moneys of a nation was but a part of the process by which the modern nations of Europe have been formed, and in this process the original money was debased in a remarkable way. The pound sterling of England was, at the time of William the Conquerer, equivalent to a pound weight of silver. It is now 3 oz. 12 dwt. 16 grs. The German florin was originally a gold coin, worth about $2 40. It is now a silver coin, worth about 40 cents. The French livre originally contained a pound of silver, worth about $18 50. It is now worth about 19 cents. The Spanish maravedi in the year 1220 was worth \$3 20 of our money. It is now worth about a quarter of a cent. The result of these changes has been to secure to all parts of each leading nation a common unit of money—of fixed value. The pound sterling is the unit in Great Britain; the franc in France, Italy, Switzerland, and Belgium; the florin in South Germany; the thaler in North Germany; the dollar in the United States, and various other units in other nations. These units are purely arbitrary, based upon local law and diverse in weight, value, and alloy. They are in some nations, of gold only; in some, of silver only; and in some a compound standard of gold and silver, and differing materially in the amount of alloy, and in the relative value of the two metals.

For local purposes it is not very material which metal is the standard nor of what weight and fineness the standard may be, if only it is of fixed and invariable value, for the value of property and all internal commerce adapts itself to the intrinsic value of the gold and silver in the prescribed standard.

The inconvenience of different standards of value arises mainly in foreign commerce, in the exchange of commodities among nations. The intercourse between modern Christian nations is now more intimate and exchange more rapid than it was between provinces of the same country two hundred years ago. The annual trade between the United States and Great Britain is now greater in bulk and value than the aggregate annual trade between all the nations of Europe two hundred years ago The same reasons for adopting an international standard of value now exist, as induced the American colonies less than one hundred years ago to abandon their diversified standards of value, and adopt as a common unit the American dollar. Every advance towards a free exchange of commodities is an advance in civilization. Every obstruction to a free exchange is born of the same narrow despotic spirit which planted castles upon the Rhine to plunder peaceful commerce. Every obstruction to commerce is a tax upon consumption; every facility to a free exchange cheapens commodities, increases trade and production, and promotes civilization. Nothing is worse than sectionalism within a nation, and nothing is better for the peace of nations than unrestricted freedom of intercourse and commerce with each other. No single measure will tend in this direction more than the adoption of a fixed international standard of value by which all products may be measured, and in conformity with which the coin of a country may go with its flag into every sea and buy the products of every nation without being disconcerted by the money changes.

This has been the wish of American statesmen since the revolutionary war. The Spanish milled dollar was adopted as the basis of our coinage before the Constitution was framed, and with the hope, expressed by Mr. Jefferson, that it would lead to an international unit. Mr. Hamilton and Mr. Gallatin each desired the same result, but the French war postponed all efforts in that direction. Mr. John Q. Adams, in his remarkable report to Congress of February 22, 1821, upon the kindred but more comprehensive subject, "the uniformity of weights and measures," says:

> This system approaches to the ideal perfection of *uniformity* applied to weights and measures, and, whether destined to succeed or doomed to fail, will shed unfading glory upon the age in which it was conceived and upon the nation by which its execution was attempted and has been in part achieved.
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> If man upon earth be an improvable being; if that universal peace, which was the object of a Savior's mission, which is the desire of the philosopher, the longing of the philanthropist, the trembling hope of the Christian, is a blessing to which the futurity of mortal man has a claim f more than mortal promise; if the spirit of evil is, before the final consummation of things, to be cast down from his dominion over men and bound in the chains of a thousand years, the foretaste here of man's eternal felicity, then this system of common instruments to accomplish all the changes of social and friendly commerce will furnish the links of sympathy between the inhabitants of the most distant regions; the metre will surround the globe in use as well as in multiplied extension, and one language of weights and measures will be spoken from the equator to the poles.

Several efforts have been made by negotiation to secure uniformity of coinage, especially with Great Britain.

In 1857, in compliance with an act of Congress, passed upon the report of the Committee of Finance of the Senate, Professor Alexander was sent as a special commissioner to that country to secure a unity of coinage between the two countries, but, after various conferences, the mission failed from an indisposition of the English government to modify their pound, shilling and pence.

In his report of December, 1862, Mr. Secretary Chase invited the attention of Congress to the importance of uniform weights, measures, and coins, and recommended that the half-eagle of the United States be made equal to the gold sovereign of Great Britain in weight and fineness.

The Berlin International Statistical Congress, held in 1863, composed of representatives of fourteen countries, and at which the United States was ably represented by Mr. Ruggles, agreed to the following resolutions:

1st. That the congress recommends that the existing units of money be reduced to a small number; that each unit should be, as far as possible, decimally subdivided; that the coins in use should all be expressed in weights of the metric system, and should all be of the same degree of fineness, namely, nine-tenths fine and one-tenth alloy.

2d. That the different governments be invited to send to a *special congress* delegates, authorized to consider and report what should be the relative weights, in the metrical system, of the gold and silver coins, and to arrange the details by which the monetary system of different countries may be fixed according to the terms of the preceding propositions.

This led to the recent Paris conference and to the adoption by Congress, in 1866, of several measures for the use of the metric system of weights and measures. At the Paris conference nineteen nations were represented, governing a population of 320,000,000 European and American and 190,000,000 Asiatic.

The conference agreed with great unanimity upon the plan hereafter stated, and the delegates from the United States were active and influential in harmonizing conflicting views and in securing the result arrived at. Upon the first part of their inquiry, your committee therefore conclude that the object proposed is of the highest importance, constantly sought for at every period of the government, and that the United States is fully committed to its support if the plan proposed is practicable and just.

Aside from the general advantages which we will share with the civilized world in attaining a uniform coinage, there are special reasons why the United States should *now* adopt the system.

1. The United States is the great gold-producing country of the world, now producing more than all other nations combined, and with a capacity for future production almost without limit. (See reports of Mr. Ruggles and J. Ross Browne.) Gold with us is like cotton—a raw product. Its production here affects and regulates its value throughout the world. Every obstruction to its free use—such as the necessity of its recoinage when passing from nation to nation—diminishes its value, and that loss falls upon the United States, the country of production.

2. The United States is a new nation, and therefore a debtor nation. By placing ourselves in harmony with the money units of creditor nations, we promote the easy borrowing of money and payment of debts without the loss of recoinage or exchange, always paid by the debtor. This is necessarily so where the debt is payable abroad, and if payable here the creditor discounts the exchange and difference in coinage in advance.

3. The technical rate of exchange between the United States and Great Britain, growing out of the different nominal values of coin, is a standing reproach which can only be got rid of by unifying the coinage of the two countries when both the real and technical rate of exchange will be at par with only such slight variations as will indicate the course of trade.

4. Gold is now demonetized as a currency, and the great bulk of it in the

United States is now held in the treasury, so that it is not possible to select a time when this great international change of coinage could affect the interests of our people less. From inquiries made of the officers of the mint we find that the cost of reminting the present coin would be less than one twentieth of one per centum. The fineness of the proposed coin being the same as the old, there will be no assay, and the cost of the change would not be perceptible to the holder of the coin, and scarcely so to the government.

The second inquiry of your committee was whether the plan proposed by the Paris conference was the best mode to accomplish the end desired.

It proposes:

1. A single standard, exclusively of gold.
2. Coins of equal weight and diameter.
3. Of equal quality or fineness—nine-tenths fine.
4. The weight of the present five-franc gold piece to be the unit.
5. The coins of each nation to bear the names and emblems prepared by each, but to be legal tenders public and private in all.

1. The single standard of gold is an American idea, yielded reluctantly by France and other countries, where silver is the chief standard of value. The impossible attempt to maintain two standards of value has given rise to nearly all the debasement of coinage of the last two centuries. The relative market value of silver and gold varied like other commodities, and this led first to the demonetization of the more valuable metal, and second to the debasement or diminution of the quantity of that metal in a given coin. In a short time the cheaper metal would by a diminished supply become the dearer metal, and then it would be debased and cheapened in the same way. This process repeatedly occurred in Europe, and has twice occurred in the United States within the life of the present generation. By the act of June 28, 1834, our gold coin was reduced from 270 grains of standard gold to 258 grains, or 4.4 per centum, in order to make it correspond with the market value of silver. In consequence of the discovery of gold in California that metal was cheapened, and silver became relatively more valuable and was hoarded or exported. To avoid this the weight of our silver coin was reduced by the act of January 21, 1853, from 206 grains of standard silver to 192 grains or 6.7 per centum.

This subject early excited the attention of financiers. Mr. Gorham, in his report of May 4, 1830, as Secretary of the Treasury, forcibly says:

> Amidst all the embarrassments which have surrounded this subject since the adoption of metallic standards of property, it is remarkable that governments have so tenaciously persevered in the effort to maintain standards of different materials, whose relation it is so difficult to ascertain at any one time, and is so constantly changing; and more especially when a simple and certain remedy is within the reach of all. This remedy is to be found in the establishment of one standard measure of property only. The evil of having two or more standards arises, as already observed, from the impossibility of so fixing their relative values by law that one or the other may not, at times, become of more value in market than estimated by regulation; and, when this happens, it will be bought and sold according to its market value, regardless of the law.
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> The proposition that there can be but one standard in fact is self-evident. The option of governments charged with this duty is therefore between having property measured sometimes by gold and sometimes by silver, and selecting that metal which is best adapted to the purpose for the only standard. Why the latter course has not been universally adopted it is not easy to explain, unless it may be attributed to that prevalent delusion which seeks to secure the possession of gold and silver by restraining their exportation, and avoiding the payment of debts rather than improving the public economy by giving every facility to it.

The opportunity is now offered to the United States to secure a common international standard in the metal most valuable of all others—best adapted for coinage, mainly the product of our own country, and in conformity with a policy so constantly urged by our statesmen, and now agreed to by the oldest and wealthiest nations of the world. Surely we should not hesitate for trifling considerations to secure so important an object.

The equal weight and diameter of coins will guard against adulteration and counterfeiting, and will familiarize our people with the metric system of weights and measures. This system is already used in some of our coins, and is permitted by our laws, and will, by gradual means, become adopted as the only international system.

The provision made that each nation shall retain its own emblems, will not impair the ready currency of coin, but will induce care in coinage. The fineness proposed is the present standard of the United States—an important consideration in recoinage, as no new assay will be required.

All the provisions of the plan proposed are in harmony with the American system of coinage. They are either already adopted or may be without inconvenience. The only point upon which a diversity of opinion may arise is as to the unit of value, and here the chief difficulty was not as to what particular quantity of gold was the best unit, but upon what quantity all the nations represented could agree. The unit recommended is the existing five-franc gold piece, 620 of which weigh a kilogram.

For the reasons that induced the adoption of this unit of value, reference is made by your committee to the report of Mr. Ruggles. They may be summed up as follows:

1. The coin proposed is the smallest gold coin in use, and therefore the most convenient unit of value.

2. It approximates more nearly to existing coinage of the great commercial nations than any other proposed. The dollar reduced three and one-half cents at the mint becomes the unit of value, and its decimal divisions and multiples enable us to retain all our well-known coins, both of gold and silver.

A very slight reduction of the English sovereign makes it conform to the multiple of the dollar and franc, so that five francs are a dollar, and five dollars are a sovereign, or a half-eagle. The same unit is easily adapted to existing coinage of other nations.

3. The franc is already in use by 72,000,000 of the most industrious and thrifty people of Europe—France, Belgium, Italy, Switzerland, and Holland.

4. The actual gold coinage in francs from 1793 to 1866 was $1,312,220,814, while the gold coinage in dollars during the same period was $845,536,591, and in sovereigns was $935,341,450, thus showing that in France alone the existing gold coinage on the proposed standard is greater than upon any other that could be adopted.

It must be remembered that the great body of our coin and bullion has been exported, and is now in foreign coin; that a large part of the balance is held in the treasury, and that less gold is in actual circulation in the United States than in any other great commercial nation. It is unreasonable, in view of these facts, for the United States to demand that our dollar, composed of 1,671.50 millograms of gold, should be the standard of value. As the nation most interested in international coinage, we should be ready to yield something to secure that object. By the plan proposed we yield nothing except the very small reduction of the weight of our standard, and without any other change in our coins, multiples, divisions, devices, or alloy.

5. France, whose standard is adopted, makes a new coin similar to our half eagle. She yields to our demand for the sole standard of gold, and during the whole conference evinced the most earnest wish to secure the co-operation of the United States in the great object of unification of coinage. Her metric system is far the best yet devised and is in general harmony with our own, while Great Britain has refused even to negotiate with us for unity of coinage, and maintains the most complex system of weights, measures, and coinage now in use among Christian nations. The decimal system, the basis of all our computations, she rejects, and adheres to the complex division of pounds, shillings, and pence, which we rejected with our colonial dependence.

These reasons induce your committee to earnestly urge the adoption by the United States of the general plan of the Paris conference.

3. What legislation is necessary on the part of the United States to adapt our coinage to the plan proposed?

On this point your committee have consulted the Secretary of the Treasury and the Director of the Mint. The bill herewith reported is the result of this conference, and is all that is needed to secure the object proposed. The provisions in regard to silver coinage are urged by the director of the mint to secure harmony between the present market value of gold and silver; but this coinage can be regulated hereafter by the varying values of the two metals and without disturbing the sole legal standard of value for large sums. The general provisions of existing law relating to coinage are preserved.

4th. What provisions, if any, should be made for existing contracts? Shall they be discharged in the money made a legal tender at the date of the contracts or in the money provided for by this bill?

In determining this question, a distinction must be made between public and private debts. All private contracts are made in view of the power of Congress to regulate the value of coins. This power has been repeatedly exercised by Congress, and in no case was any provision made for enforcing existing contracts in the old rather than the new standard. All property and contracts may be effected by legislation, but it is not presumed that in the exercise of its legislative power Congress will be controlled by either the debtor or creditor, but only by the general good. To continue a distinction between the old and the new coin in the payment of private debts would result in great inconvenience, while by making the new coin a legal tender for all debts after a reasonable time would enable our citizens to conform the great body of their contracts to the new standard. Such has been the practice not only in the United States but in other countries, where from time to time the standard of coin has been changed. Such was the principle adopted in the passage of the present legal tender act, which if made applicable only to future contracts would have bankrupted a large portion of the active business men of the country, whose business compelled them to contract debts.

It must be remembered that all private debts are now on the basis of legal-tender notes, of far less intrinsic value than the proposed coin. The depreciation of legal-tenders had the effect to diminish the value of all debts and the property of all creditors to the extent of the depreciation, and is only justifiable by the highest considerations of national safety. The resulting process of returning to specie basis will be far more severe on the debtor class. The depreciation of the burden of debt is a loss to a class generally benefited by the increased value of fixed property, and better able to bear the diminution of their capital. but an increase of the burden of the debt to the debtor class, by the payment of coin instead of depreciated paper money, often produces absolute ruin without fault in the debtor. All contracts are now on the legal-tender basis. Every private creditor would now take the new coin, and would be largely benefited by the changed medium of payment. The small relief of the debtor by the slightly diminished standard of coin will tend to that degree to lessen the unavoidable hardship to him of a return to specie payment. This relief would be especially just on the payment of long bonds issued by railroads and other corporations during or since the war, which were almost uniformly sold for depreciated paper money. Your committee therefore conclude, that as to all private debts or contracts, the only provision necessary in this bill is to postpone the operation of its legal-tender clause for a reasonable time after the passage of the act.

Does not a different principle prevail as to public debts? As to public debts, the contract of loan is the only law that ought to affect the creditor until his debt is fully discharged. Congress, as the authorized agent of the American people, is one party to the contract, and it may no more vary the contract by subsequent acts than any other debtor may vary his contract. As to the public creditor, no legislative power stands between him and the exact performance of his contract. Public faith holds the scales between him and the United States, and the penalties for a breach of this faith are far more severe and disastrous to the nation than courts, constables, and sheriffs can be to the private debtor. These penalties are national dishonor and inability to borrow money in case of war or public distress, and the ultimate result is the sure and speedy decline of national power and prestige. When changes in our coin were made in 1834 and 1853, the United States had no public debt of any significance, and the precedents then made do not apply to the present time. Now the public debt is so large that a change of three and one-half per cent. in the value of our coin is a reduction of the public debt of $90,000,000. So much of this debt as exists in the form of legal-tender notes will be received and disbursed as money, and as its value for some time will be less than the new coin no provision need be made for it, but for so much of the debt as is payable, principal or interest, in coin of a specific weight and value, provision ought to be made for its exact discharge in that coin or its equivalent in the new. Your committee, therefore, propose an amendment to that effect.

Your committee have been led to inquire whether, if the United States adopt the plan of the Paris conference, it will be adopted by other nations so as to accomplish the object proposed, of an international currency, of universal circulation throughout the civilized world. Upon this point we have the most satisfactory assurances. Since the Paris conference it has been adopted by Austria, and will, in all human probability, be adopted by the North German Confederation. A strong party in Great Britain, including many of her ablest statesmen, and the great body of her commercial classes, has urged the adoption of the plan, even in advance of the United States, and they concur in the opinion that, if adopted by the United States, Great Britain will be induced by her interests to modify her sovereign to the international standard. We have the highest authority for saying that Canada stands ready to adopt the plan the moment it is adopted by the United States. Different representatives of the South American States say those States will readily adopt it; so that upon Congress now rests the fate of a measure that, according to the opinion of eminent American statesmen, will shed unfading glory upon the age of its adoption, that will give to international law an international coinage, and will lead to a vast extension of the objects of international law common to Christian and civilized nations, thus binding the whole family of man by the same ties that are uniting and consolidating neighboring states. Your committee recommend the adoption of this measure with certain amendments, with the conviction that it will not only promote the local interests of the United States, but will subserve the general interests of all the nations who have already or may hereafter join in its adoption.

II.—REPORT OF SENATOR MORGAN.

In June last, while the Universal Exposition was in progress, an international monetary conference was held in Paris, under the presidency of the French minister for foreign affairs Delegates from the several European nations were present. Mr. Samuel B. Ruggles represented the United States, and his report on the subject has been communicated to Congress, through the Department of State. From this it appears that a plan of monetary unification was there agreed upon, the general features of which are:

1. A single standard, exclusively of gold.
2. Coins of equal weight and diameter.
3. Of equal quality, nine-tenths fine.
4. The weight of the present five-franc gold piece to be the unit, with its multiples. The issue by France of a new coin of the value and weight of 25 francs was recommended.
5. The coins of each nation to continue to bear the names and emblems preferred by each, but to be legal tenders, public and private, in all.

Senate bill 217 is designed to carry into effect this plan. Its passage would reduce the weight of our gold coin of $5 so as to agree with a French coin of 25 francs. It determines that other sizes and denominations shall be in due proportion of weight and fineness; and that foreign gold coin, conformed to this basis, shall be a legal tender, so long as the standard of weight and fineness are maintained. It requires that the value of gold coins shall be stated both in dollars and francs, and also in British terms, whenever Great Britain shall conform the pound sterling to the piece of $5.

It conforms our silver coinage to the French valuation, and discontinues the silver pieces of one dollar, and five and three cents, and limits silver as a legal tender to payments of $10. The first of January, 1869, is fixed as the period for the act to take effect.

The reduction which this measure would effect in the present legal standard value of the gold coin of the United States would be at the rate of three and a half dollars in the hundred, and the reduction in the legal value of our silver coinage would be still more considerable.

A change in our national coinage so grave as that proposed by the bill should be made only after the most mature deliberation. The circulating medium is a matter that directly concerns the affairs of every-day life, affecting not only the varied, intricate and multiform interests of the people at home, to the minutest detail, but the relations of the nation with all other countries as well. The United States has a peculiar interest in such a question. It is a principal producer of the precious metals, and its geographical position, most favorable in view of impending commercial changes, renders it wise that we should be in no haste to fetter ourselves by any new international regulation based on an order of things belonging essentially to the past.

Antecedent to any action by Congress on this subject we should carefully consider:

I. The effect which the present abundant production of the precious metals, especially of gold, and the probable great increase in the supply, as mining facilities are improved and more generally applied, will have upon the purchasing power of these metals.

II. The question of preserving such a relation between gold and silver as will retain the latter metal in free circulation, and continuance of the coinage of such denominations of silver as will serve to encourage American commerce with Mexico and with South American and Asiatic nations.

III. The choice of a standard of unification which, all things considered, shall be least objectionable on account of fractional weights and intricacy of calculations.

IV. Of delaying action until the Paris plan has been adopted by the commercial powers of Europe, and accepted by those nations on the western continent with whom we have commercial relations; or at least until their intentions in this regard are more fully known.

V. Should not a period when the public mind is calm, more so than now, on the subject of monetary affairs, and when the national debt has become less formidable, be chosen for initiating a change?

VI. The advisability of further popular discussion of the subject, to the end that the business as well as general public shall fully understand on what grounds so important a reduction in the value of our monetary unit, the dollar, is based, and the further advocacy of the merits of our own, so that, should any existing system be accepted, ours shall be more fully considered in that connection.

Uniformity in coinage and also in weights and measures has been the pursuit of ages. Speculative systems have been advanced, only to be given up when subjected to practical tests, but the idea has never been abandoned. Nor was the recent occasion the first in which our government has been recommended, and that, too, with some urgency, three-quarters of a century ago, by the minister of that country, to adopt the French system of weights, measures, and coinage. But Congress, both then and since, has properly exercised great caution on a subject so full of complications. And the question of international unification yet remains an open one, balanced between the facilities it would afford to foreign commerce and the evils it would introduce into our domestic affairs. The adoption of some satisfactory and comprehensive plan, one to be adopted because it shall best subserve the interests of all, and not because it is or is not an existing one, may become desirable. If so, Congress will then be ready to take part in effecting such a measure. At present, however, there are questions of a very practical nature relative to the precious metals, that begin to reveal themselves, and will soon press home upon us, which largely outweigh in importance the more theoretical one of assimilating all metallic circulations. Our situation as a commercial nation makes it prudent that on this, as on every question affecting home interests, we should remain free to mould our policy to meet occasions as they arise, following such course as shall appear best suited to develop our great, almost limitless, natural resources, increasing by "gentle means the stream of commerce, but forcing nothing, rather than to hamper ourselves by international engagements or arbitrary regulations. An error now in fixing the values of gold and silver would injure this nation far more than any other. We may safely trust to the natural laws of commerce for the correction of any evils from which we have suffered. We have paid our seigniorage, we have met the demand for foreign exchange, but who shall say that the course of trade in the next ten years may not make an American city, New York or San Francisco, the centre of exchange, and confer upon us the advantages so long enjoyed by European capital? Certainly no other nation can so well afford to wait.

The movement proposed in the bill appears to be in the wrong direction. The standard value of gold coin should be increased—brought up to our own, rather than lowered. The reason must be obvious. Authorities unite in the conclusion that a fall in the value of the precious metals, in consequence of their rapidly increasing quantity, is inevitable. M. Chevalier recently estimated that the present yield of gold amounts, in 10 years, to about as much as the entire production during the 356 years which intervened between the date of the discovery of America and the year 1846, when the mines of California were found; and

Mr. Cobden concluded that unless the cardinal rule of commerce, that quantity governs price, which applies infallibly to all other commodities, loses its force when gold is concerned, this continued and great increase must be followed by a reduction in its value.

Ross Browne, in his recent report, says that the time is not far distant when the price of the precious metals, as compared with other proceeds of human labor, must fall. "They are now increasing more rapidly than is the demand for them, and at the present rate of increase they would soon have to fall perceptibly; but the production will become much greater than it is. The vast improvements that have been made both in gold and silver mining, within the last 20 years, are applied only to a few mines. * * * If all the argentiferous lodes of Mexico, Peru, and Bolivia, known to be rich, were worked with the machinery used at Washoe, their yield would really flood the world. * * * New deposits of silver will be found, and innumerable rich lodes on the Pacific slope of the United States, not yet opened, will be worked with profit."

The present enhanced prices of commodities and labor, the world over, measures, to some extent, the increasing quantity and consequent depreciation in the value of precious metals, and clearly indicates the direction the change is taking.

The creditor, public and private, will be affected by this tendency, and while he must abide a depreciation which proceeds from natural causes, he may properly insist that artificial evils shall not be superadded.

Of the increased production of gold the United States supplies more than half, and when the lines of railway now pushing across the continent shall penetrate the gold-bearing mountains and valleys of California and Oregon, and the western territories, mining improvements will be powerfully supplemented.

The American continent, too, produces four-fifths of the silver of commerce. The mines of Nevada have already taken high rank, and Mexico alone supplies more than half the world's grand total. Our relations with the silver-producing people, geographically most favorable, are otherwise intimate. Manifestly our business intercourse with them can be largely increased, a fact especially true of Mexico, which, for well-known political reasons, seeks the friendliest understanding. This must not be overlooked.

These two streams of the precious metals, poured into the current of commerce in full volume, will produce perturbations marked and important. Other countries will be affected, but the United States will feel the effect first and more directly than any other.

The Pacific railway will open to us the trade of China, Japan, India, and other oriental countries, of whose prepossessions we must not lose sight. For years, silver, for reasons not fully understood, has been the object of unusual demand among these Asiatic nations, and now forms the almost universal medium of circulation, absorbing rapidly the silver of coinage. The erroneous proportion fixed between silver and gold by France, and which we are asked to copy, is denuding that country of the former metal. Our own monetary system, though less faulty, is not suitably adjusted in this respect. The silver dollar, for instance, a favorite coin of the native Indian and distant Asiatic, has well-nigh disappeared from domestic circulation, to reappear among the eastern peoples, with whom we more than ever seek close intimacy. As they prefer this piece we would do well to increase rather than discontinue its coinage, for we must not deprive ourselves of the advantages which its agency will afford, and "it would be useless to send dollars to Asia inferior in weight and value to its well-known Spanish and Mexican prototype."

Mr. Ruggles says that nearly all the silver coined in the United States prior to 1858 has disappeared. A remedy is not to be found in the adoption of a system that undervalues this metal, for that commodity, like any other, shuns the market where not taken at its full value to find the more favorable one. It is a favorite metal, entering into all transactions of daily life, and deserves proper recognition in any monetary system.

It is said that "to promote the intercourse of nations with each other, uniformity weights, coins, and measures of capacity is among the most efficacious agencies." Our weights, coins, and measures now correspond much more nearly to the English than to the French standard. Our commerce with Great Britain is nine times greater than with France, and if the former does not adopt the Paris system of coinage—and we have no assurance that she will—the United States would certainly commit a serious error in passing this bill. No argument is needed to enforce this. And what of the rising communities? A properly adjusted coinage would stimulate commerce with those great parts of the continent lying south and southwest of us, with the West Indies, and the countless millions of trans-Pacific countries. We stand midway on the thoroughfare of traffic between these two widely-separated races. Our railways, canals, our natural highways, and merchant marine may be made to control their carrying trade. But here, as everywhere else, a well-adjusted coinage becomes a wand of power in the hand of enterprise. Tokens are not wanting to mark the favor in which the United States are now held by China. The unusual honor recently conferred by that government upon a citizen of this country was not alone because of his fitness as an ambassador at large, but was a mark as well of a friendly disposition towards this country. Future harmony of intercourse is assured, too, by their adoption as a text-book in diplomatic correspondence of a leading American authority on international law. Much might also be said about the growing partiality of Japan towards this country; but it is enough that the recent opening of certain ports indicates an enlightened change in the policies of these two old empires, of which commerce, especially our own is availing itself. There is nothing, indeed, in our foreign policy to create suspicion in the minds of the cautious statesmen of Asia. We are non-aggressive; our vast domain leaves no motive for conquest; but, on the other hand, our fertile, unpeopled territory invites settlers, and our mines and the demand for labor on the Pacific slope are rapidly drawing thitherward from Asia an increasing tide of emigration, aiding not only in peopling that region, but in establishing closer relations as well between individuals as a more liberal commerce between the nations.

Referring to the third inquiry, it may be asked, should a new standard be adopted, is the French system more suitable for us than our own?

Doubtless the French system "embraces all the great and important principles of uniformity which can be applied to weights and measures, (and coins as well,) but it is not yet complete. It is susceptible of many modifications and improvements." And it is not inconsistent with the respect held toward so exalted a power as France, briefly for us to examine somewhat more closely certain features of this question. We are producers; France, Belgium, Switzerland, and Italy, (who have adopted the system,) are non-producers, of the precious metals, and, therefore, while adding little to the common stock of material for metallic currency, are not affected like us by an increase in gold and silver. Nor are they likely to be influenced as we are to be, by other coming changes. Neither is there anything in the financial or commercial status of France which entitles her monetary scheme to a preference over all others in fixing a common coinage, unless, in itself, it is superior to all others. This, in a practical sense, is not the fact. Writers represent it as surrounded with difficulties, and an eminent French author calls it "the worst of all systems." Its basis is arbitrary, and the ratio it observes between gold and silver—one of gold for $15\frac{1}{2}$ of silver by *weight*, but one to $14\frac{38}{100}$ in *value*—is a confession of the erroneousness of the plan. In theory, her coinage is metrical, and yet it is said that

France has not, nor never has had, a gold coin containing an even number of grams; or, practically, it is unmetrical.

The bill proposes 1,612.9 milligrams, or $24\frac{89}{100}$ grains, for the gold dollar. If adopted and we should still give to our silver dollar a weight and value equal to the Mexican dollar, 416 grains, we should establish a ratio of value of gold to silver of $16\frac{7}{10}$ to one, while 15 to one is as high as it would be safe to go, and where, indeed, our own standard places it. "If we consent to reduce our gold dollar as proposed by the Paris conference to 24.89 grains, we could not possibly coin a silver dollar that would be of any use to us in commerce," for we should increase rather than diminish the weight of the gold dollar.

On the subject of the French monetary unit, Mr. Dunning, superintendent of the United States assay office, in New York, a competent authority, says:

> The present weight of the gold five-franc piece is not justified by any scientific reasons better than the mathematical accident that 620 of them weigh exactly a kilogram, a circumstance which has not the slightest practical importance. The fact is, this fractional and inconvenient weight, which the world is invited to adopt, was not fixed upon by the French themselves by design, but as the unavoidable result of a false theory.

Further, that after having fixed the ratio of gold as one to $15\frac{1}{2}$, and having adjusted the weight of their silver coins in integral numbers—

> "They were compelled to accept for the five-franc gold piece the interminable decimal resulting from the division of 25 grams by 15.5, viz: 1.61290322580645. The awkwardness and inconvenience of this weight," he adds, "can be best shown by giving the weight of a few of the gold coins of France, Great Britain, and the United States, as they will be if the proposed unit is adopted." (See accompanying tables.)

Mr. Dunning recommended for consideration a monetary unit of 1620 millegrams, for which he claims greater facility of making calculations than that proposed by the conference, and that it is also a compromise between the French and English coin weights, and would require a reduction on our own dollar of half a cent less than by the plan proposed in the bill. Mr. Dubois, assistant assayer of the Philadelphia mint, concurs in the views of Mr. Dunning.

Other considerations aside, it may be said that until the leading nations represented at the Paris conference shall adopt a plan of unification, Congress may very properly decline to act; for anticipatory legislation, while disturbing relations existing between debtor and creditor, would accomplish no practical end. Mexico would not be partial to the French system, and Canada cannot be expected to accept it until its adoption by England. Unification, to be desirable, must be universal. Unless its advantages are palpable to commercial peoples of Europe, occupying contiguous territories, and whose intercommunication is constant, it cannot be of serious moment to us, to whom the change would be of but comparative usefulness.

It has been urged as a reason for the early passage of a law to unify coinages, that commercial transactions with Europe would be facilitated thereby; and also that citizens of our country, in visiting Great Britain and the continent, would be spared losses and annoyances if we possessed uniformity. But it should be recollected that, in all large commercial transactions, gold coin is accounted by weight and not by tale—a proceeding more speedy and equally just; and of the moneys used abroad by travellers from this country, probably more than 90 per cent. is carried in bills of exchange, a mode much safer and more convenient to the traveller, and which would be continued even if the bill became a law. The British delegates at the Paris meeting stated that, "until it should be incontestably demonstrated that the adoption of a new system offered superior advantages, justifying the abandonment of that which was approved by experience and rooted in the habits of the people, the British government could not take the initiative in assimilating its money with that of the nations of the continent."

A period of suspension of specie payment like the present, it has been stated, is a favorable one for inaugurating the change proposed by the bill. But the juncture is one marked by great differences of opinion in respect to the question of circulation, return to specie payments, and the public finances as a whole. A change in the value of coinage would but add to the embarrassments of the situation, and it may be remarked incidentally that the reduction of the legal value of the dollar would inure largely to the benefit of speculators in gold and hoarders of the precious metals, a fact that might seriously prejudice the measure in public estimation.

If the nation were comparatively free from debt, Congress might with more propriety consider the question of changing the legal standard of coin; but one effect of reducing it as now proposed would be to deprive the public creditor of nearly a hundred million dollars of his rightful due. In the estimation of the committee such a proposition ought not to be entertained by Congress. It is proper here to say, that the delegate, Mr. Ruggles, who favors unification, has at no time thought it just to lower the value of our coin without making proper allowance to the holder of the several forms of national obligations.

To be acceptable a change in our coinage must be a thing of clearly obvious advantage and proceed from the people. There has, however, been no popular expression in favor of the proposed plan, nor, indeed, any voluntary action in that direction whatever on the part of financial men, either in this country or elsewhere. If there has been any complaint in regard to our monetary system, the fact has not come to the knowledge of your committee. On the other hand, certain scientific bodies in our country have already protested against any ill-considered change in the present American dollar. Our coinage is believed to be the simplest of any in circulation, and every way satisfactory for purposes of domestic commerce; it possesses special merits of every-day value, and should not, for light reasons, be exchanged where the advantages sought to be gained are mainly theoretical, engaging more properly the attention of the philosopher than the practical man. The instincts of our people lead them to believe that we are on the eve of important business changes, and we may therefore safely hold fast for the present to what experience has proven to be good, following only where clear indications may lead, and a future of great prosperity opens to our country. The war gave us self-assertion of character, and removed many impediments to progress; it also proved our ability to originate means to ends. Its expensive lesson will be measurably lost if it fails to impress upon us the fact that we have a distinctive American policy to work out, one sufficiently free from the traditions of Europe to be suited to our peculiar situation and the genius of our enterprising countrymen. The people of the United States have been quick to avail themselves of their natural advantages. The public lands, not only, and the mines of precious metals, but our political institutions, have likewise powerfully operated in our favor, and will continue to do so with increasing force.

Unification of the coinage, like all similar questions, should be taken up without bias and considered on the broad ground of national interest. At the proper time, when the country is restored to a normal financial condition, and the public ask a change in this regard, it may be well to appoint a commission of experts, carefully to consider the question in its various bearings. Reflection and further observation here and elsewhere may suggest the foundations for a better and more enduring system than the one now proposed, which in the nature of things is but a provisional one. Permanency is equally important with uniformity in our coinage.

John Quincy Adams, who spent several years in studying the question of uniformity in weights and measures, and incidentally in that of coinage—indeed, the latter cannot be separated from the other two—says:

If there be one conclusion more clear than another, deducible from all the history of mankind, it is the danger of hasty and inconsiderate legislation upon weights and measures. From this conviction, the result of all inquiry is, that, while all the existing systems of metrology very imperfect and susceptible of improvements, involving in no small degree the virtue and happiness of future ages; while the impression of this truth is profoundly and almost universally felt by the wise and powerful of the most enlightened nations of the globe; while the spirit of improvement is operating with an ardor, perseverance and zeal, honorable to the human character, it is yet certain that, for the successful termination of all these labors, and the final accomplishment of the glorious object, permanent and universal uniformity, legislation is not alone competent. All trifling and partial attempts at change in our existing system, it is hoped, will be steadily discountenanced by Congrees.

In this conclusion, which applies with even greater force to coinages, a fact fully recognized by Mr. Adams himself, the committee may safely now unite.

For the reasons herein set forth it is respectfully recommended that the bill be not now passed into a law.

APPENDIX TO MR. MORGAN'S REPORT.

Mr. Dunning's Suggestions.

UNITED STATES ASSAY OFFICE,
New York, February 8, 1868.

1. The present weight of the gold 5-franc piece is not justified by any scientific reasons better than the mathematical accident that 620 weigh exactly a kilogram, a circumstance which has not the slightest importance. The fact is, this fractional and inconvenient weight, which the world is now invited to adopt, was not fixed upon by the French themselves by design, but as the unavoidable result of a false theory. The famous coinage law of the 7th Germinal An. XI attempted to make a double standard, and to fix the ratio of gold to silver as 1 to 15½. Then having very sensibly adjusted the weights of their silver coins in integral numbers, 5 grains for the franc, and 25 grains for the 5-franc piece, they were compelled to accept for the 5-franc gold piece the interminable decimal resulting from the division of 25 grains by 15.5, viz: 1.61290322580645.

2. The awkwardness and inconvenience of this weight can best be shown by giving the weight of a few of the gold coins of France, Great Britain, and the United States, as they will be if the proposed unit is adopted:

	Existing weight of gold, 900 fine.	Proposed weights, adopting 1612.9 kilograms for monetary unit.	Equivalents in troy weights.
	Milligrams.	*Milligrams.*	*Grains.*
FRENCH COINS.			
Five francs	1,612.903	*1,612.903	24.8908
Twenty-five francs	8,064.516	*8,064.516	124.4544
One hundred francs	32,258.064	*32,258.064	497.8177
BRITISH COINS.			
Four shilling piece	1,627.196	†1,612.903	24.8908
Sovereign	8,135.983	†8,064.516	124.4544
Five sovereigns	40,679.915	†40,322.580	622.2721
UNITED STATES COINS.			
Dollar	1,671.813	‡1,612.903	24.8908
Half eagle	8,359.064	‡8,064.516	124.4544
Eagle	16,718.129	‡16,129.032	248.9088
Double eagle	33,436.258	‡32,258.065	497.8177
	Grams.	*Grams.*	*Grains.*
One thousand francs—French	322.5806	322.5806	4,978.1769
One thousand dollars—United States	1,671.8129	1,612.9032	24,890.884
One thousand pounds sterling	8,135.9840	8,064.5161	124.454.422

* No change. † Reduction 0.88 per cent. ‡ Reduction 3.52 per cent.

3. The following table shows the weight of the same denominations of coin, &c., by adopting 1620 milligrams, instead of 1612.9 for the monetary unit:

	Existing weights of gold, 900 fine.	Proposed weight, adopting 1620 milligrams for the monetary unit.	Equivalent in troy weight.
FRENCH COINS.			
	Milligrams.	*Milligrams.*	*Grains.*
Five francs	1,612.903	1,620*	25
Twenty-five francs	8,064.516	8,100*	125
One hundred francs	32,258.064	32,400*	500
BRITISH COINS.			
Four shilling piece	1,627.196	1,620†	25
Sovereign	8,135.983	8,100†	125
Five sovereigns	40,679.915	40,500†	625
UNITED STATES COINS.			
Dollar	1,671.813	1,620‡	25
Half eagle	8,359.064	8,100‡	125
Eagle	16,718.129	16,200‡	250
Double eagle	33,436.259	32,400‡	500
	Grams.	*Grams.*	
One thousand francs	322.580	324	5,000
One thousand dollars	1,671.813	1,620	25,000
One thousand pounds sterling	8,135,984	8,100	125,000

* Increase 0.44 per cent. † Reduction 0.44 per cent. ‡ Reduction 3.1 per cent.

NOTE.—The exact equivalent of 1620 milligrams is in troy grains 25.0004; discarding this fraction of $\frac{4}{10000}$ involves a discrepancy in calculations of only one cent in \$600, or $\frac{1}{600}$ of one per cent.

4. It will be noticed that the proposed unit of 1620 milligrams has the merit of offering to Great Britain an even compromise of the difference between her present coinage and that of France, instead of a reduction of the British gold coins of $\frac{88}{100}$ per centum to make them equal to the French coins. The unit of 1620 milligrams exactly splits the difference, requiring an increase of the French coins of $\frac{44}{100}$ per centum, and a diminution of $\frac{44}{100}$ per centum in the British coins. This difference is so slight as hardly to call for any legal adjustments of existing contracts in either country; and while in the United States such an adjustment will doubtless be required, the proposed unit of 1620 makes the reduction of our coins almost one-half per centum less than would be effected by the unit of 1612.9. The exact difference as shown by the above tables is $\frac{42}{100}$ of one per centum.

5. There is another very important advantage offered by the unit of 1620 milligrams, which you and all who have to do with mint calculations will appreciate. I allude to the facility of making calculations. I will not attempt to exhibit the difficulties in calculating value from the standard weight when the relation is expressed in such interminable decimals as must result from the adoption of the unit 1612.9. But you will see at a glance the facility of dealing with the unit of 1620.

The weight of 1,000 francs, or \$200, or £40, at 1620 milligrams to the dollar, would be 324,000 milligrams. These values are readily deduced from the weight, as will be seen by the following examples :

France.	United States.	Great Britain.
Milligrams 324, 000	Milligrams 324, 000	Milligrams 324, 000
÷ 9 = 36, 000	÷ 9 = 36, 000	÷ 90 = 3, 600
÷ 9 = 4, 000	÷ 9 = 4, 000	÷ 90 = £40
÷ 4 = 1, 000 francs.	÷ 20 = $200	

The above divisions are performed mentally without difficulty, and the rule of calculation is exceedingly simple. It is not at the mint alone, nor chiefly, that this facility of calculation will be appreciated. The transactions in coin and bullion the world over will be simplified by it. The experts at the mint can soon adapt themselves to any system however complicated; but for the convenience of commerce the relation of weight to value in the coins of the world ought to be simple.

6. If the troy system of weights is to be continued in this country and Great Britain, it will be immensely important that the monetary unit expressed in milligrams should be easily convertible into troy weight. A glance at the tables given above will show the discrepancy between the unit of 1612.9 and the troy system, and also the beautiful and almost marvellous harmony effected by the unit of 1620 milligrams.

7. I trust, however, that Mr. Sherman's bill will contain a section making the use of the French system of weights obligatory in all the mints of the United States. This change would seem to be almost a necessary part of the plan of monetary unification of the world's coinage ; and it would certainly be a judicious method of partially familiarizing the country with the metrical system, the universal adoption of which, even if not perfect, is so devoutly to be wished.

If you deem these remarks of sufficient importance, I should be glad if you would send them, with your comments, to Governor Morgan of the Senate.

Very respectfully and truly yours,

GEORGE F. DUNNING.

Mr. Dubois.

In forwarding this copy, I have only to add my hearty concurrence in the views taken by Mr. Dunning. Whether they would arrest or embarrass the plan of complete and prompt unification, is a point which I must leave to wiser counsels.

With respects of,

WM. E. DUBOIS,
United States Mint, Philadelphia.

February 12, 1868.

III.—BILL TO ESTABLISH A UNIFORM COINAGE.

IN THE SENATE OF THE UNITED STATES

JANUARY 6, 1868.—Mr. Sherman asked, and by unanimous consent obtained, leave to bring in the following bill; which was read twice, referred to the Committee on Finance, and ordered to be printed.

JUNE 9, 1868.—Reported by Mr. Sherman with amendments, viz: Strike out the parts in [brackets] and insert the parts printed in *italics*. Accompanied by report No. 117.

A BILL in relation to the coinage of gold and silver.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That with a view to promote a uniform currency among the nations, the weight of the gold coin of five dollars shall be one hundred and twenty-four and nine-twentieths troy grains, [so that it shall agree with a French] *equivalent to a* coin of twenty-five francs, and with the rate of [thirty-one hundred francs] *six hundred and twenty dollars* to the kilogram; and the other sizes or denominations shall be in due proportion of weight, and the fineness shall be nine-tenths, or nine hundred parts fine in one thousand.

SEC. 2. *And be it further enacted,* That, [in order to conform the silver coinage to this rate and to the French valuation,] the weight of the half dollar shall be one hundred and seventy-nine grains, equivalent to one hundred and sixteen decigrams; and the lesser coins shall be in due proportion, and the fineness shall be nine-tenths. But the coinage of silver pieces of one dollar, five cents, and three cents shall be discontinued.

SEC. 3. *And be it further enacted,* That the gold coins to be issued under this act shall be a legal tender in all payments to any amount, *except for such existing bonds of the United States as are payable in coin;* and the silver coins shall be a legal tender to an amount not exceeding ten dollars in any one payment

[SEC. 4. *And be it further enacted,* That in the assay of the gold coins to be issued under this act, there shall be no greater deviation allowed from the standard of fineness than one-thousandth part above or below.]

SEC. 5. *And be it further enacted,* That the devices on the coins shall consist of such emblems and inscriptions as are proper to the republic of the United States, but plainly distinct from those now in use; each coin shall express its proper date and value; [and the value of the gold coins shall be stated both in dollars and in francs; and whenever it is ascertained that Great Britain has conformed the pound sterling to the value of the piece of five dollars, then the value in British terms shall also be stated;] and the devices as well as the diameters of the coins shall be fixed by the director of the mint, under the control of the Secretary of the Treasury.

SEC. 6. *And be it further enacted,* That *the said* foreign gold coins, conformed to the basis herein prescribed, shall be a legal tender in all payments whatsoever, so long as the standards of weight and fineness are duly maintained; and it shall be the duty of the commissioners of assay, meeting at the mint in the month of February of each year, to try a sufficient number of such foreign coins of the preceding year, to be procured for that purpose by the director of the mint, [and if any serious deficiency be found,] *but if found with greater deviation than is now allowed by law,* the Secretary of the Treasury shall have power to suspend the right of legal tender in the particular case.

SEC. 7. *And be it further enacted,* That when the gold and silver coins of the United States are brought to the mint or its branches for recoinage, such coins shall be received by weight, and those of them which have been issued as nine-tenths fine shall be so received, but all others by assay. And in payments at the mint for both gold and silver coins above specified, the value shall be rendered according to the weights prescribed in the first and second sections of this act; and there shall be no charge for coinage *or* seignorage, [or internal revenue;] and on all other deposits of gold for coinage the charge shall be one-half of one per centum.

SEC. 8. *And be it further enacted,* That for the uses of the treasury and the custom-houses, the Secretary of the Treasury shall, as soon as this act takes effect, publicly declare the rates at which the coins of the United States and of foreign countries now current shall be reckoned, upon estimates furnished by the director of the mint.

SEC. 9. *And be it further enacted,* That this act shall take effect on the first day of January, eighteen hundred and sixty-nine; but to expedite the recoinage, it shall be lawful for the mint and its branches to receive gold and silver coins of the United States for that purpose on and after the first day of October next, and to give certificates therefor, payable in the order of receipt in the new coins, and to convert the metals thus received into ingots and planchets, to be ready for stamping when this act takes effect. And in respect to other deposits of gold or purchases of silver, the like certificates may be issued, if demanded, on and after the first day of October next.

SEC. 10. *And be it further enacted,* That the weights to be used at the mint when this act goes into operation may be either troy weights or French gram weights, or both, as the Secretary of the Treasury shall direct.

IV.—REPORT OF SAMUEL B. RUGGLES.

Report to the Department of State by Samuel B. Ruggles, delegate from the United States in the International Monetary Conference at Paris, 1867.

PARIS, *November* 7, 1867.

SIR: On the 4th of October last, the undersigned transmitted to the Department of State duplicate copies duly corrected and verified of the *procès-verbaux*, or official reports, of the eight successive *séances*, or sessions, of "The International Monetary Conference," at Paris, terminating on the 6th of July last.

The government of France, at the request of the conference, undertook the duty of transmitting to the different nations, through their delegates in the conference, copies of those official reports. The general features of the plan of monetary unification agreed to by the conference have been already reported to the Department of State. Briefly repeated, they are as follows:

1. A single standard, exclusively of gold.
2. Coins of equal weight and diameter.
3. Of equal quality, (or *titre*,) nine-tenths fine.
4. The weight of the present five-franc gold piece, 1612.90 milligrams, to be the unit, with its multiples. (The weight of the present gold dollar of the United States is 1671.50 milligrams. The value of the excess over the five-franc gold piece, 58.60 milligrams, slightly exceeds 3½ cents. To encourage the reduction of the United States half-eagle and of the British sovereign to the value and weight of 25 francs, the conference unanimously recommended the issue of a new coin of that weight and value by France and the other gold-coining nations. The reduction in value of the half-eagle would slightly exceed 17½ cents; in the sovereign, 4 cents.)
5. The coins of each nation to continue to bear the names and emblems preferred by each, but to be legal tenders, public and private, in all.

The conference further requested the government of France to invite the different nations to answer, by the 15th of February next, whether they would unite in placing their respective monetary systems on the basis indicated by the conference, as above stated; and after receiving their answers, to convene, if necessary, a new or further conference.

A further resolution of the conference recommends that the measures of unification which the nations may mutually adopt be completed, as far as practicable, by diplomatic conventions.

By these proceedings and official reports, the whole question of monetary unification is now distinctly presented for consideration and decision to the governmental authorities of the United States, executive and legislative.

The communication from the Department of State to the undersigned, of the 30th of May last, empowering him, within the limits therein stated, to represent the United States in the conference, directed him not only to report its proceedings and conclusions, but to add such "observations as might seem to be useful." He therefore respectfully submits the following additional report, mainly explanatory of the grounds taken in the conference in behalf of the United States, but embodying statements which may possibly facilitate to some extent the examination of the subject by the government.

1. All the independent sovereignties of Europe, with the possible exception of some small portions of northern Germany, were represented in the conference by delegates duly accredited. The delegates from Prussia appear on the roll as representing that power only, but from the fact of their repeatedly abstaining from voting on certain questions in the conference "without the consent of

the Confederated States," they were practically considered as representing all the states and communities of northern Germany now confederated with Prussia. There were no separate delegates from the kingdom of Saxony, or either of the Hanseatic cities of Hamburg, Bremen, Lubec, or Frankfort. There were separate delegates from Baden, Wurtemberg, and Bavaria. None of the nations west of the Atlantic were represented, except the United States of America.

The nations appearing by delegates in the conference were entered alphabetically on the roll, in which order they voted. A copy of the roll is hereto subjoined. Including Sweden and Norway as one, they were 19 in number, being—

Austria,
Baden,
Bavaria,
Belgium,
Denmark,
Espagne, (Spain,)
Etats Unis, (United States of America,)
France,
Great Britain,
Greece,
Italy,
Pays Bas, (Holland,)
Portugal,
Prussia,
Russia,
Sweden and Norway,
Switzerland,
Turkey,
Wurtemberg.

Their aggregate population, European and American, a little exceeds three hundred and twenty millions. The population of the dependencies of these nations in Asia is estimated at one hundred and ninety millions. There were no separate delegates from any portion of the West or the East Indies, not even from Australia, which had been separately and conspicuously represented in the International Statistical Congress, at London, in 1860, and which still plays a part so important in furnishing gold to British India and other oriental countries.

It is, indeed, specially noticeable in the reported discussions of the conference how little account was made of that populous quarter of the globe in estimating the world-wide advantages of a common money; and this omission has become more worthy of remark from the circumstance that information reached Paris, soon after the adjournment of the conference, that measures were in actual progress, at Pekin, for striking, for the use of the immense population of China, coins of the weight and value respectively of twenty francs, or five francs, and of one franc, bearing on their face the head of the Chinese Emperor, thereby assimilating the money of the Celestial Empire to that of Europe.

The interesting fact is stated in a historical report (recently published by a member of the British embassy) of the money of Japan, that it possesses a coinage of gold and silver in some essential features resembling that of France, particularly in a double standard, under which the ratio of silver to gold is fixed at 13½ to 1.

It appears that, in ignorance of the actual relative values of the two metals in our Atlantic world, (of 15 or 16 to 1,) these pagan Asiatics had fixed the ratio at only 4 to 1, which great exaggeration of silver they were furthermore induced to continue by treaty in 1858, under which they were rapidly despoiled of their gold in large quantities by some of the traders from Christian nations. The partial correction of the mistake in 1860, by raising the ratio to 13½ to 1, (if any ratio fixed by governmental regulations be admissible at all,) shows an advance of intelligence in this distant region, inspiring the hope that, in due time, at least a portion of eastern Asia may be brought within a world-embracing and world-protecting belt of monetary unification.

The British colonies in continental North America, recently consolidated by imperial authority in the "Dominion" of Canada, were represented in the conference only as a part of the British empire by the delegates from the United Kingdom. That young but rising power, though remaining in form a colonial dependency, now possesses, under the 91st section of the act of the imperial Parliament of the 29th of March, 1867, the sovereign and "exclusive legislative authority" to regulate its own "currency and coinage," already much assimilated to the decimal system of the United States. The deep interest in the success of the pending measure of unification manifested by Mr. Bouchette and other intelligent Canadian officials, who were at Paris to superintend the exhibition of the products of their country, affords ground for believing that the general conclusions, and the basis now proposed by the conference, will command the ready assent and co-operation of that active and interesting portion of the North American continent.

Of the Mohammedan nations, the Ottoman empire was represented in the conference, by his excellency Djemil Pacha, its ambassador extraordinary and plenipotentiary to the court of France. With him was associated the Colonel Essad Bey, the military director of the Ottoman academy in Paris, who had moreover officially represented his government in the preliminary "international committee on uniform weights and measures and coins," in which body he had manifested a marked desire that the proposed monetary reform might include the coinage of Turkey. At a later stage of the conference his excellency Mihran-Bey-Duz, member of the Grand Council of Justice and director of the mint at Constantinople, whose early arrival had been unexpectedly retarded, appeared and took his seat as a member.

The ambassador to France from Persia, (sometimes called the "France of Asia,") a personage of singular intelligence, had also manifested a lively interest in the proposed monetary reform, but had been obliged to leave Paris on the eve of the first meeting of the conference. It is worthy of notice that the standard of the gold coin of Persia is .900 fine, being the same as that of the United States, while that of Turkey is still higher, being .915 fine. The principal gold piece of Persia is worth 22.27 francs; that of Turkey 22.48 francs.

2. There is good reason to believe that the disparity in the representation of the two continents was not occasioned by any want of consideration for the nations of Central and South America, but solely by want of time to reach them with formal invitations. The consequence was that the United States, being the only transatlantic country represented, its delegate is erroneously mentioned in the official report as the "sole representative of the transatlantic countries." He begs to state that he did not profess or seek in any way to represent any nation but the United States. The conference is repeatedly mentioned in the official report as embracing "all the sovereign states of Europe and the government at Washington;" but if that implies that the United States assumed any authority to speak for any other of the nations of either of the two Americas, it was not warranted by any act of the undersigned.

Wholly disclaiming any wish to exceed the limits of his proper authority, he would nevertheless venture respectfully to suggest for the discreet consideration of the government at Washington, whether it would not be desirable for the United States, either singly or in co-operation with France, to invite the early attention of the independent American nations of Spanish or Portugese origin, now nine or ten in number, to the proposed plan of monetary unification, in the hope that the whole of the western hemisphere may be brought into line in this onward march of modern civilization.

The long array of states in Central and South America, which for brevity may be classed among the "Latin" nations, now embraces in the aggregate a population of more than thirty millions of inhabitants, enjoying an oceanic commerce with the United States, Great Britain, and France, (the three great coining nations,) exceeding yearly $200,000,000, and, above all, possessing the larger portion of the grand trunk of the broad metalliferous mountain range stretching from Cape Horn to the Arctic ocean. Our own gold-and-silver-bearing, snow-clad Sierra Nevada and Rocky mountains are only the offspring and off shoots of the Sierra Madre, itself a prolongation of the Cordilleras, first yielding up their metallic treasures to the Spanish nations planted by Cortez and Pizarro. Speaking the languages of Spain and Portugal, these "Latin" races of the two Americas approach, to say the least, in general culture and intelligence, some of the Teutonic and Sclavonic races represented in the conference.

In view of the continental importance of securing the early and cordial co-operation of these neighboring nations, the government of the United States will be gratified to learn that the extensive and rapidly improving empire of Brazil, so favorably known by its well-directed patronage of industry and science, although not directly represented in the conference, nevertheless enjoyed the opportunity of fully participating in the preliminary examinations of the international committee on weights and measures and coins, composed largely of members selected from the commissioners from the numerous nations represented at the Universal Exposition. Of that committee Señor de Porto Allegri, the regularly commissioned representative from Brazil, was not only a member, but actually the president of the sub-commission on uniform coinage. In that capacity he carefully presided over its deliberations and united in its general resolutions, copies of which have been heretofore transmitted by the undersigned to the Department of State, and which will be found to be fully in harmony with the plan or basis proposed by the conference.

3. The clear and comprehensive vision of the far-seeing advocates in Europe of monetary unification has fully discerned the grandeur of uniting the two hemispheres in one common civilization. M. Esquiron de Parieu, vice-president of the conseil d'etat of France, who presided with eminent wisdom and dignity over the conference at severel of its most important meetings, declares, in one of his learned and luminous monetary essays, now lighting the path of the Older World, that "a monetary union of western Europe and the transatlantic nations would possess an incontestable importance. Above all," he adds, "it would produce a grand moral effect." As if foreseeing with the eye of prophecy a continental, if not a world-wide, "solidarity" for the "dollar," founded historically on the past, he adds, "the Americans can never regard their dollar as a merely national coin, after having borrowed it from their neighboring Spanish colonists."

As a matter of historic truth, Spain itself had borrowed the "dollar" from Austria, during their union under the common empire of Charles the Fifth. The "Joachim's *thaler*," first coined in the silver mines of the Bohemian *valley* of Saint Joachim, (or James,) is the great ancestor, in fact, of the American dollar. In purity of origin and length of lineage it must surely suffice to satisfy the most aristocratic tastes of modern Europe.

Nor is there any such diversity in the coinages of the Central and South American nations, or difference from those of Europe or the United States, as to render the task of unification seriously difficult on their part. The gold doubloon or "*doublon*" (sometimes denominated in the monetary tables the "*quadruple pistole*") of New Granada, of Bolivia, and of Chili, are each .870 parts fine; that of Mexico, .870.5; that of Peru, .868. The French "Annuaire" reports that of Ecuador at .875. Their money values, in the existing dollars of the United States, are reported by the director of the mint of the United States as being, for New Granada, \$15.61; for Chili and Bolivia, \$15.59; for Peru, \$15.58; for Mexico, \$15.52.

The full and perfect measure of Hispano-American unification would be attained by increasing the weight of all these doubloons to one hundred francs, which would render them at once equivalent to the double-eagle (or twenty dollars) of the United States, or to four British sovereigns, (when reduced as now proposed,) and current, without recoinage, brokerage, or other impediment, throughout the world. This enlarged doubloon divided in halves and quarters would supply for the people of Spanish America one convenient coin, equivalent to fifty francs, or an eagle of the United States, or two British sovereigns; and another coin, equivalent to twenty-five francs, or a United States half-eagle, or one British sovereign. Mexico has already a gold coin of 20 *pesos*, finely executed; and Peru has a gold piece of 20 *soles;* each of them being nearly equivalent to the double-eagle.

The 20 "*mil-réis*" of Brazil, now worth $10.85, would probably be conformed to the plan proposed for Portugal, the parent country, by the Count d'Avila, her experienced and able delegate in the conference, by the issue of a gold coin equivalent to 25 francs, with such subdivisions and multiples as convenience might require.

4. The importance of including the whole of the western hemisphere in the work of unification is still more evident when we consider its intermediate position on the globe, as a connecting link or stepping-stone between western Europe and eastern Asia, and the dominant fact that the two Americas already furnish the larger portion of the gold and silver of the world. The comparatively moderate quantities found on the eastern continent, hardly suffice for the necessary consumption in the arts in the populous parts of Europe. The mines of Russia yield annually but little more than 15,000,000 of rubles, ($12,000,000,) of which more than two-thirds are painfully extracted from eastern Siberia, north of the 60th parallel of latitude, in ground frozen eight months of the year, and far remote from any adequate supply of food. There is no probability of any large or disturbing influx of gold into western Europe from that distant quarter of the globe.

The course of the monetary currents through middle and eastern Asia is instructively indicated by recent statistical returns from Russia, showing that of the gold and silver coin sent in 1865 from Russia overland into China, through the international *entrepôt* of Kiachta, 3,876,184 rubles were in silver, and only 327,979 rubles in gold.

Of the large gold product of Australia, exceeding in some years sixty millions of dollars, portions are sent to Calcutta, Canton, and other oriental ports, and the residue principally to London. The sovereigns of Australia, bearing the head of Queen Victoria, finely struck, have recently been made a legal tender throughout the British empire.

A portion of the gold of California and of Nevada has now begun to find its way directly to China, in the Pacific steamers, by a line shorter by at least 8,000 miles than the circuitous route hitherto pursued by the way of Panama, the Atlantic ocean, the Mediterranean, the Red sea, and the great Indian ocean. So marvellous indeed are the facility and the economy already afforded by this new line, in connection with the land and ocean telegraphs, that the London banker, with one hand, and within 36 hours, may order his correspondent at San Francisco to ship gold to Canton directly across the Pacific, requiring from 20 to 25 days, and with the other may telegraph to his correspondent in Ceylon to send to China by the mail steamer from that island, in 10 or 12 days, the necessary advices of the shipment. The "inexorable law of cheapness" will soon render permanent this strange geographical inversion, by which the money of the Pacific slope of the western world is sent westward to find the markets of the east.

5. The proposed unification of gold will necessarily involve the expense of recoinage only by the nations not already measuring their money in francs. No recoinage will be needed in France, Belgium, Switzerland, or Italy, to which have been recently added the Pontifical States and Greece, the whole embracing a population exceeding 72,000,000. Every other nation has a different coinage, no two of them being alike. It could not be reasonably proposed that these united nations, with 72,000,000 of people, should call in and recoin all their gold, to conform its weight and value to the coinage of any other separate

nation, with a population much inferior in number, and especially with a much smaller amount of actual coinage.

On this point it became necessary to examine the statistics, so far as the United States, Great Britain, and France, the three great coining nations, were concerned. Gathered exclusively from official documents, they will be found condensed in the "*Note*" or written argument in favor of the 25-franc coin, submitted by the undersigned in behalf of the United States, and printed as an appendix to the sixth "*séance*," at page 91.

For more convenient reference, the figures are now repeated, as follows:

I. The gold coinage of the United States in the 57 years from 1792 to 1849, next preceding the outburst of gold in California in 1849, was	$85,588,038 00
In the next two years, 1849 and 1850	94,596,230 00
In the next 15 years, 1851 to 1866	665,352,323 00
Total	845,536,591 00
II. The gold coinage of Great Britain in the 35 years from its reform, in 1816, to 1851, was £96,021,151 or	$480,105,755 00
In the 15 years from 1851 to 1866, £91,047,139, or	455,235,655 00
Total	935,341,450 00
III. The gold coinage of France in 58 years, from 1793 to 1851, was, in francs, 1,622,462,580, or	$324,492,516 00
In the 15 years, under the empire of Napoleon III, from 1851 to 1866, in francs, 4,938,641,490, or	987,728,298 00
Total	1,312,220,814 00

SUMMARY.

Total coinage by the three nations before 1851:	
By the United States	$180,184,268 00
By Great Britain	480,105,755 00
By France	324,492,516 00
Amount	984,782,639 00
From 1851 to 1866:	
By the United States	$665,352,323 00
By Great Britain	455,225,695 00
By France	987,728,298 00
Amount	2,108,356,316 00

The preceding summary does not include the gold coinage of Australia, full statistics of which the undersigned hopes to be able soon to furnish. The value of the gold produced in the year 1865 in Australia was $43,686,665; in New Zealand, $11,133,370. He also proposes to add to this statement reliable statistics of the gold coinage of the other principal coining nations of Europe, and especially of Spain, Prussia, Austria, and Russia; but for the present purpose the preceding comparison of the three nations may suffice. It points clearly to the following results:

The amount coined by the United States having been $845,536,591, if two-thirds shall be deducted for the portion recoined in Europe or used in the arts, the amount remaining which would require recoinage would not exceed, in round numbers, $300,000,000. It is true that a portion of the coin of the United States exported to Europe is sent without recoinage to Germany and other continental nations, for the use of their people emigrating to the United States. But if we allow $200 *per capita* (which, including women and children, would be a large estimate) for 150,000 emigrants, it would amount only to $30,000,000. In view, moreover, of our large importations of foreign merchandise, with our temporary disuse of gold for domestic purposes, even the estimate of $300,000,000 may be too large. The recoinage, however, of the whole amount would cost, at one-fifth of one per cent., (the rate ascertained by experience,) only $600,000.

The amount of gold now in actual circulation in France, Belgium, and Italy, is estimated by M. de Parieu, and other distinguished economists of Europe, at 7,000,000,000 of francs, or $1,400,000,000. The amount in circulation in the residue of continental Europe would probably carry the total to $1,800,000,000. To suppose that the seventeen nations, from the Atlantic to the Volga, would or could unite in recoining such an amount, and in abandoning every vestige of the monetary portion of the metric system, merely to adopt the existing coinage of the United States, with only $300,000,000 outstanding, would be preposterous indeed.

The proportion of the total amount of British gold coinage ($935,331,450 in fifty years) now in circulation, is variously estimated from £80,000,000 ($400,000,000) to £100,000,000, ($500,000,000,) mainly in sovereigns, many of which are now so much worn as to be reduced in actual value to 25 francs. A considerable amount of British gold must have been imported into France, to enable her to coin the $987,728,298 in the fifteen years from 1851 to 1866. If $500,000,000 yet remains outstanding in Great Britain, the cost of its recoinage at one-fifth of one per cent., to effect the proposed unification, would be covered by $1,000,000.

It will be borne in mind that this expense of recoinage by the several nations is to be incurred but once for all, while the incessant remeltings and recoinages under the present system by the mints of different nations are a constant and needless diminution of the monetary wealth of the world. The burden principally falls on the nations, like the United States, which export gold needing to be recoined, the value of which abroad is reduced precisely by the cost of its recoinage.

If the total expense of the necessary recoinage throughout the world to accomplish the proposed unification were even to reach $2,000,000, it would be speedily reimbursed in the saving of further recoinages, brokerages and exchange. Without attempting at the present time accurately to estimate these savings in detail, (more properly the duty of an experienced commercial committee,) we may safely assume that they would amount yearly to several millions of dollars.

It is stated by an eminent and experienced banker in Europe, that there are now scattered through its different nations and along their frontiers at least 5,000 money changers, (including their employés,) who gain their living by changing the gold of the various countries of the world. If there are but 2,000, earning yearly an average of $1,000 each, it would amount to $2,000,000 yearly, which the world ought to save and would save by the proposed unification, not to mention the vexatious loss of time in calculating fictitious rates of exchange, and the large additional saving in the future product of gold.

The estimate of $1,400,000,000 as the gold circulation of France, Italy and Belgium, will not be regarded as exaggerated when we consider the heavy drain of silver from France during the last 15 years, in connection with the fact that its silver coinage from 1795 to 1851 had amounted to 4,457,595,345 francs, or $891,519,069. Of this large amount, at least $750,000,000 are said to have been exported within the last 15 years, principally to the East Indies, leaving the amount of silver now in circulation, in France, not exceeding $150,000,000.

The coinage of silver at the royal mint of Great Britain in 10 years from 1857 to 1866, both inclusive, was only £3,677,182, or $18,385,910. The total coinage of silver in France during the reign of the present emperor, in the 15 years from 1851 to 1866, was only 215,561,101 francs, or $43,112,180. The silver coinage of France, Great Britain, and the United States, from 1851 to 1866, was, in round numbers, only $117,000,000, against a gold coinage, in the same period, of $2,108,000,000.

So severe, indeed, had become the destitution of small silver coin in 1865, that the treaty of the 23d of December, of that year, authorizing the issue of silver of denominations less than five francs, reduced its standard about seven per cent., (from .900 fine to .835 fine,) to prevent its further disappearance. At the same time, it limited the amount to be coined in France to 239,000,000 francs, or $47,800,000.

Fortunately for France and the commercial world, the surplus gold of the United States was at hand during these 15 years, ready to be recoined. Steadily filling the immense vacuum caused by this great export of silver, it now invigorates every branch of industry in France.

The monetary movement in these 15 years on the waters of the globe signally illustrates the power of the oceans not to divide but to unite the continents in a common "solidarity." Subdued by steam to the use of man, they are now incessantly ministering to the wide-spread monetary necessities of the human race. It needs but a glimpse of their statistics to map out the great oceanic monetary currents. Within that brief period, only the dawn of the opening auriferous era, we discern a mass of gold, in the aggregate exceeding $500,000,000, moving across the Atlantic from the United States; another and still larger volume of $833,000,000 pouring out from Australia upon the surrounding oriental waters, and at least one-half finding its way to London over the Indian ocean, the Mediterranean and the Atlantic; another golden mass of $620,000,000 crossing the British channel into France, while the great counter-current of $65,000,000 of silver, largely derived from France, is seen flowing out of England and up the Mediterranean on its way to the ever-absorbing East.

6. While we see the gold of the United States largely diminished by export to other nations, it should be considered that its present product may rapidly and largely increase under the stimulating influence of the Pacific railway and its branches, (the main line being now in vigorous progress,) penetrating our metalliferous interior and greatly facilitating and encouraging our mining industry by the cheap and expeditious carriage, not only of machinery, but of food in large quantities, both from the Pacific slope and the fertile valley of the Mississippi. With these superadded facilities, our rate of product of gold for the next 15 years, to say the least, can hardly diminish. At only $60,000,000 yearly, (the average rate for the last 15 years,) our product in the next 15 years will add to the gold of the world $900,000,000. It certainly is not impossible, nor very improbable, that this amount may be considerably exceeded. It was in view of the large and inevitable addition to our gold product, that the undersigned deemed it necessary to insist in the conference, in behalf of the United States, that the work of monetary unification, with its consequent recoinage, must be accomplished "now or never."

The interesting theme of the future development of the trade and power of the two Americas on the Pacific, an ocean as yet almost unoccupied, would open a field of view quite too large for exploration on the present occasion. Confining our examination to their mining industry, it is enough to say, that by the natural increase of their population, incessantly swelled by immigration from overcrowded Europe, at least 130,000,000 of inhabitants, under governments more or less united or confederated, will be found, at the end of the next fifty years, in possession of the whole line of the gold and silver-bearing Cordilleras and their branches from Behring's straits to the confines of Patagonia. Their incalculable masses of treasure, now comparatively dormant, but then brought actively out to light, will be counted indifferently by dollars and by francs. We need but to look calmly and clearly ahead to perceive and to feel, that it has already become, not only the privilege, but the solemn duty of the United States and of all the nations of the western hemisphere, custodians, under the irresistible logic of events, of so large a portion of the money of the world, to secure the uniformity of its coinage, for no narrow "inch of time," but for the unnumbered ages yet to come.

Above all, let us never forget that the two Americas are Christian members of the great family of nations, and that the unification of money may be close akin to other and higher objects of Christian concord. We cannot wisely or rightfully remain in continental isolation. Integral portions of the mighty organism of modern civilization, let us ever fraternally and promptly take our part in the world-wide works of peace.

7. The present heterogeneous condition of the coinages of Europe was originally and primarily caused by the downfall of the Roman empire. The wide-spread rule of Augustus and his successors embraced a population of various races, estimated at its zenith at one hundred and twenty millions. His vigorous arm suppressed the private coinages of the leading Roman families under the republic. The coin of his government bore "the image and superscription of Cæsar" throughout the wide extent of the empire. Authoritative alike on the Jordan and the Thames, the far-reaching imperial edict regulated the money of Judea, and restrained the rude coinage of the barbarous tribes of Britain.

It is true that the imperial money, subject, like all human things, to the fundamental law of demand and supply, largely fluctuated in value during the first four centuries, but its coinage remained directly or indirectly subject to the central authority until the final wreck and disintegration of the empire.

By that momentous event, western Europe was strewed with fragments from the Mediterranean to the Baltic, and the wall of Britain. The monetary fabric, once so firmly united, shared the fate of the empire. Petty chieftains, seizing the political *débris*, built up petty states, lay and ecclesiastic, by hundreds on hundreds, each of them claiming, and most of them exercising, the sovereign power of coining money. Pre-eminently was this the case in that portion of Europe now called "Germany," which bears even yet on its motley political surface, and still more strikingly on its diversified coinage, the marks of the great disintegration. Even the most powerful of the German emperors seemed unaware of the necessity of centralizing and regulating the coinage of money. In 910 we find Otho the Second, of the great and then dominant Saxon line, granting licenses to the Archbishop of Strasburg and the bishops in its vicinity, to exercise this high function of sovereignty.

Nor was this mingling of God and mammon confined to Germany. Before the extinction of the heptarchy, similar powers have been vested in the Archbishops of Canterbury and York, while France was annoyed for centuries with the varying coinages, not only of petty feudal sovereigns, but of abbots and other ecclesiastics of high and low degree, perhaps quite as fit for the trust as the ignorant princes at their side. The cabinets of coins in Europe are filled with the heterogeneous issues of mediæval France and modern Germany.

There may now be seen at the mint of the United States, in Philadelphia, specimens of the coinages, not only of the royal houses of Germany, but of the secondary dukedoms and minor principalities of Brunswick, Nassau, Hesse Cassel, Mecklenburg, Anhalt, Bernburg, Oldenburg, Reuss, Lippe, Saxe Weimar, Saxe Gotha, Saxe Coburg, Saxe Meiningen, Schwartzburg, Hohenlohe, Hohenzollern, and Waldeck; some of them ruling populations of less than one hundred thousand souls.

8. For this fragmentary state of things there could be but one remedy. The disintegrated political and monetary world must be reintegrated; and this has been the tedious task of the last ten or twelve centuries. During this long interval of reconstruction, the scattered members of the once united monetary organism have been slowly coming together. Hundreds of petty sovereignties have been already extinguished or consolidated, giving place to large and efficient nations.

The fusion of the seven little kingdoms of the heptarchy in the undivided realm of England; the conjunction, in Spain, of the crowns of Castile and Arragon; the consolidation of the provinces of France, and consequent extinction of feudal rule and feudal coinage; the union of the three kingdoms in the British islands;—all becoming centres of monetary reform, in which discordant coinages have been melted into unity;—the recent conjunction of the fragmentary portions of the Italian peninsula, incoherent and jarring for centuries; the unifying operations now in vigorous progress in northern Germany; and above all, the advent and progress of the great empire of Russia, emerging from Asia and steadily moving into eastern Europe, have all converged to one grand monetary result—the diminution in number of the coining nations, enabling them all at last to meet face to face in general and friendly conference, as they have just done for the first time in the history of man.

It is true that a cluster of smaller principalities with mimic sovereignties may yet remain in Germany, portions of a more numerous group, whose multifarious and multitudinous silver coinages had been so long the annoyance and pest of every traveller through central Europe; but recent events give reason for hope that a confederation, if not the political unity, of their intelligent populations, which may utter a common voice for a common money, will not be much longer postponed.

9. From this hasty sketch of the coinages of Europe, we may point with just satisfaction to the historical contrast furnished by the United States of America.

The thirteen colonies which first occupied that portion of the North American continent extending southwardly from the great chain of lakes nearly to the Gulf of Mexico, brought with them, or soon adopted, the "pound" as their unit of money. The twenty silver shillings which they coined, being reduced in weight, were not equal in value to the pound sterling of the parent country. The pound of some of the colonies was not worth in silver more than three dollars and thirty-three cents, measured in the present money of the United States. In others it was worth only two dollars and fifty cents. The natural attachment of the colonists to the traditions of the parent country, nevertheless induced them to retain the inconvenient and absurd subdivisions of shillings, pence, and farthings, with their three differing divisors.

Several of the colonies coined silver money of small denominations, with subdivisions in copper, until the restoration of Charles the Second to the throne of England. A royal order issued by his authority, about the year 1660, strictly prohibited any further coinage by the colonies, as the usurpation of a sovereign power. Their coinages consequently ceased or greatly diminished until the outbreak of the American Revolution, in 1775, after which various coins were issued by the several "States" claiming to be sovereign, until the final adoption of the dollar as the coin of the United States. To comprehend clearly that important event, we must briefly revert to the history of the "pound."

The money pound of England is of French origin. Charlemagne, crowned "Charles Augustus, Emperor of the West," in the year 800, sought, like his imperial predecessor, the first Augustus, to unify the money of his empire. With that view he ordained that the French livre, or pound weight of silver, should constitute the monetary livre, or pound of money. This livre, carried across the channel into England by William of Normandy, was imposed by him as Conqueror on the English people. The "Tower pound," actually containing a pound weight of silver, bears date in 1066, the year of the Conquest. The word, however, failed long ago to possess any truthful significance, for the money pound has been steadily dwindling in weight for the last eight centuries, until the twenty shillings into which it is now divided actually contain less than one-quarter of a pound of pure silver.

On the recognition by England, in 1783, of the political independence of the United States, their then existing political organization, "The Congress of the Confederation," deemed it proper, also, to throw off the monetary yoke of pounds, shillings, pence, and farthings. On the 6th of July, 1785, this continental Congress unanimously passed the memorable monetary ordinance reported by the "grand committee of thirteen," of which Rufus King, one of the wisest and most far-seeing of the statesmen of America, was a member. Not only did it omit in any way to recognize the pound, but it distinctly brought in and established the dollar, as the permanent monetary unit of the United States. Its precise weight was fixed by a subsequent ordinance, passed on the 8th of August, 1786, which further provided for the issue of a gold coin of ten dollars, to bear the impress of the eagle, which imperial emblem had been selected in 1782, in view of the national sovereignty then clearly discerned in the future. What was far more important, the ordinance expressly provided that the dollar should be decimally divided.

This cardinal monetary reform preceded, by at least six years, the establishment of the "metric system" of France, with the consequent decimalization of its coin in 1792, under which the ancient "livre" of Charlemagne, dwarfed and shrunk in its long life through the vicissitudes of ten centuries, disappeared from the world.

The government of the United States has lost no opportunity of commending the metric system to the admiration of its people and of the civilized world. By a recent act of Congress, passed on the excellent report of Mr. Kasson, in the House of Representatives, supported with learning and ability by Mr. Sumner, in the Senate, its use has been actually legalized throughout the American Union. But the dominant historic fact will forever remain, that the previous step, among the first if not the earliest of the authoritative measures for decimalizing the money of the world, was taken by our young republic, just emerging from its cradle.

Nor did the services and the example of the United States in the cause of monetary unification stop with the ordinance of 1786. A further and far more comprehensive measure was adopted in 1789, in substituting, in place of a loose political confederation, a nation, with a government throwing the mantle of a common sovereignty over the States and the peoples then united, with the transcendent and exclusive power to establish one uniform coinage for the whole. The great monetary clause in the national Constitution—the most important act of political conjunction which history records—with a sublime forecast of the geographical expansion of the nation then brought into being, is condensed and crystallized in the few brief words, "NO STATE SHALL COIN MONEY," firmly and forever establishing the monetary unity and the monetary sovereignty of the continental republic from ocean to ocean.

10. The first Napoleon, looking down on the world from the rock of St. Helena, declared that what Europe most needed was "a common law, a common measure, and a common money." This solemn utterance was a legacy not alone to Europe, but to the whole family of nations. It was in 1821, the very year of his disappearance from the world, that the American Secretary of State, John Quincy Adams, submitted to the Congress of the United States his celebrated report, pointing out the incalculable advantages of a common measure and a common money, "to overspread the globe," in his own comprehensive language, "from the equator to the poles." With clear political sagacity, he saw and said that the object could only be accomplished "by a general convention of nations,

to which the world shall be parties," and "in which the energies of opinion must precede those of legislation." It certainly was the first official proposition for a general monetary convention, known in civil history.

More than forty years elapsed before that memorable proposition was carried in any way into practical effect. It is true that some of the states of Germany had met in a monetary convention in January, 1857, which fixed the values (for purposes of their local Zollverein) of the gold crown, the silver thaler, and the silver florin; but no general assembly of nations, by delegates duly accredited, was ever held, in which the question of general monetary unification was openly discussed until the International Statistical Congress at Berlin, in September, 1863. To that body, composed largely of representatives from governments, an elaborate report was presented by a committee of delegates from 14 nations, mainly prepared by Mr. Samuel Brown and Professor Leone Levi, of London, both favorably known by their valuable labors in the "International Decimal Association." It recommended the decimalization of the pound sterling, but proposed to retain the pound itself as the monetary unit. It further proposed that, "in respect to silver coins, *the dollar reduced in value to five francs*, the florin made equal in value to two and one-half francs, and the franc itself, should also be retained as units; and that all of them should be decimally divided."

It is gratifying to add, that a large and influential party in England, embracing many of its most eminent and intelligent merchants and bankers, (and especially the late Sir William Brown, of Liverpool,) have strongly advocated, for several years, the decimalization of the pound sterling.

The above-mentioned report coming up for discussion in the congress at Berlin, the undersigned, as the delegate from the United States, objected to the adoption of the four units, and expressly on the ground, among others, that it would tend to preserve the double standard of gold and silver, and thus prolong the vain attempt to fix by legislative enactment the values of two different metals, in their nature necessarily mutable, and governed only by the fundamental law of demand and supply.

In the course of the discussion, a suggestion was made by Dr. Farr, registrar general of the United Kingdom, and one of the most distinguished of the British delegates, that the gold dollar of the United States should be made equal to one-fifth of the British sovereign; to which it was answered, in behalf of the United States, that both the British sovereign and the United States half-eagle of five dollars should be reduced to the value of twenty-five francs. and thereby unify at once the gold coinage of three nations. The difference of opinion on this point between the delegates of Great Britain and those of the United States and of other nations, led the congress to adjourn without deciding the question.

It would not be just to leave this portion of the subject without acknowledging the valuable aid rendered by delegates from other countries in sustaining the proposition for unifying at once the gold of the three nations, and pre-eminently by the Count d'Avila, the well-known financier and delegate from Portugal, (now minister at Madrid,) who ably supported, at the Berlin congress of 1863, the plan of triple unification, and with still greater efficiency, in the recent conference, the proposition of the United States for the issue by France of the new gold coin of 25 francs.

As a part of the history of monetary unification it is proper also to add, that the present Chief Justice of the United States, while Secretary of the Treasury, practically proposed, in his annual report to Congress in 1862, to unify the coinage of the English races by reducing the value of the half-eagle of the United States to that of the British sovereign, which would have required a reduction in the half-eagle of 13½ cents. His forcible exposition of the advantages of such a step is still more applicable to the wider measure of unification now proposed by the international monetary conference, requiring a further reduction of only four cents.

It must, however, be evident that such a conjunction of the coinages of the United Kingdom and of the United States, embracing a population in Europe and America not exceeding 70,000,000, would have brought the conjoined monetary system of the two nations into perpetual antagonism with the system or systems of the European continent, now embracing a population of 250,000,000 —not to mention the possibility, not very far remote, of ultimately bringing the populous nations of eastern Asia, with their four or five hundred millions, into one common, world-embracing system, to remain united while modern civilization shall endure.

11. On the 23d of December, 1865, the governments of France, Belgium, Switzerland, and Italy, made the quadripartite monetary treaty, the text of which is given in full, as an appendix to the second *séance* of the conference, at page 27. A translation is herewith transmitted.

With profound respect for the distinguished negotiators of the treaty, several of whom were also members of the conference, we may, nevertheless, assert that its principal value is geographical, in fusing into a single mass, for monetary purposes, the large and important portion of Europe embraced within the boundaries of four nations, since enlarged by the adhesion of the Pontificial States and of Greece. By this brilliant and masterly consolidation, the gold of Europe is already unified throughout one broad, unbroken belt from the Atlantic ocean to the eastern limits of the Grecian archipelago, constituting an extensive and attractive nucleus, around which the coin of the remaining nations of Europe may readily cluster. Opening wide an unobstructed path through Europe for American coin, it now needs only a brief law of Congress, fixing the weight of the gold dollar at 1,612.90 milligrams, to establish a permanent line of monetary unity spanning the Christian world from San Francisco to the confines of Constantinople.

The treaty is, moreover, of primary importance in prescribing and defining, with scientific precision, the weight, diameter, quality, and "tolerance" of the coin thus unified. On the other hand, it contains provisions which are wholly inadmissible in a general basis of monetary unification for the nations of the world. They are the following.

1. In including silver in the coin to be unified, thereby rendering it necessary to fix a permanent ratio between the values of gold and silver.

2. In limiting the amount of silver coin, of denominations less than five francs, to six francs, *per capita*, for the population of each nation.

3. In prohibiting the issue of any gold coin of an intermediate denomination between ten francs and twenty francs, or between twenty francs and fifty francs, a prohibition which would prevent the issue not only for the twenty-five franc coin required by the interests of the United States and other nations, but of a fifteen-franc gold coin, which may soon become necessary in unifying the coinages of Germany and, perhaps, of Holland. It is enough to add that the conference, in view of these provisions, did not adopt the treaty as the fundamental basis of their plan of unification.

12. The double standard was legally established in France by the well-known law of 7*th Germinal*, an XI, (March 28, 1803,) which fixed, or, more properly speaking, sought to fix the ratio of silver to gold at $15\frac{1}{2}$ grams of silver to 1 gram of gold. The power of a legislative body thus to fix a ratio of values has been for the last seventy years the cherished belief of many economists of France. It was probably in deference to their opinions that the recent act of the *Corps Legislatif*, ratifying the treaty of December, 1865, studiously declared that the law of 7*th Germinal* "was not repealed," and this in face of the treaty itself, which authorized the issue in France alone of 239,000,000 of silver francs, at a standard reduced from .900 fine to .835, about seven per cent.,

and that, too, for the very reason that silver had actually become more valuable by seven per cent. than the rate of 15½ to 1, fixed by the law of *7th Germinal*.

The practical reduction of the ratio directed by the treaty was, in fact, a distinct and most instructive admission, in the most solemn form known to nations, that any act of mere legislation, seeking to fix a "double" *standard*, is, alike in its nature and in its very terms, fallacious, illogical, and impossible. No formal legislative act was needed for repealing the law of *7th Germinal*, for it had been already effectually repealed in fact, by the natural and irresistible increase in the value of silver in obedience to the superior and overruling law of demand and supply.

The vital element in the double standard is the legal right which it gives to a debtor to pay his debts, at his option, in either of the two metals; in other words, rendering both "a legal tender." In view of this, the treaty of 1865, permitting this large silver coinage of reduced standard, declared it not to be a legal tender between individuals for sums exceeding fifty francs, and so far repudiated the theory of a double standard.

The Congress of the United States have also virtually abandoned the ratio which it had sought to fix by legislation. The act of 1853 directs all sub-divisions of the dollar thereafter to be coined to be reduced (not in standard, as in the four nations, but) in weight, about seven per cent.; and also declares such subdivisions not to be a legal tender for any sum exceeding five dollars.

The total coinage of silver dollars by the United States in the last seventy years falls short of five millions of dollars, nearly all of which have disappeared from circulation. But the total coinage of the subdivisions has exceeded $131,000,000, of which nearly the whole of the portion coined before 1853 has also disappeared. In view of these facts, submitted by the undersigned to the conference, (3d "*séance*," page 37,) he felt justified in claiming and insisting that the double standard now existed in the United States only in form, and not in fact.

The establishment of the single standard exclusively of gold, is in truth the cardinal, if not the all-important feature of the plan proposed by the conference, relieving the whole subject, by a single stroke of the pen, from the perplexity, and indeed the impossibility, of permanently unifying the multiplicity of silver coins scattered through the various nations of Europe. It is a matter of world-wide congratulation, that on this vital point the delegates from the nineteen nations represented in the conference were unanimous—not excepting France itself, so strongly wedded by its national traditions to a double standard.

13. It will be seen by the report of the discussions (6th "*séance*," pages 79 to 82) that the subject of the "common denominator," or unit of gold, elicited a considerable difference of opinion. A denominator or unit equivalent to and equiponderant with the existing gold five-franc coin of France was actively supported by the United States, and by Austria, Russia, Switzerland, Portugal, and other nations. The delegates from Great Britain and from Sweden urged, in preference, a denominator or unit of ten francs.

The question was finally decided by a formal vote by ayes and noes, on a roll-call of the nations, which resulted in a large majority in favor of the denominator or unit of five francs—thirteen (13) nations voting in its favor, and two, (2,) Great Britain and Sweden, in favor of the ten francs. The delegates from Prussia, Baden, Bavaria, and Wurtemberg, abstained from voting, mainly in view of existing stipulations in local monetary conventions, which temporarily embarrassed their actions.

On all these questions, the interests of monetary unification were materially advanced by the publication at Paris of the concise but admirable letter from the Hon. John Sherman, senator in Congress from the State of Ohio, a copy of which has been already communicated to the Department of State, but which for more convenient reference is now transmitted herewith in duplicate, with its French translation.

His opinions are unmistakably expressed in the following extracts:

As the gold 5-franc piece is now in use by over sixty millions of people of several different nationalities, and is of convenient form and size, it may well be adopted by other nations as the common standard of value, leaving to each nation to regulate the divisions of this unit in silver coin or tokens.

If this is done, France will surely abandon the impossible effort of making two standards of value. Gold will answer all the purposes of European commerce. A common gold standard will regulate silver coinage.

In England, many persons of influence, and different chambers, are earnestly in favor of the proposed change in the coinage. The change is so slight with them, that an enlightened self-interest will soon induce them to make it; especially if we make the greater change in our coinage.

We can easily adjust the reduction with the public creditors in the payment or conversion of their securities, while private creditors might be authorized to recover upon the old standard.

In connection with the propositions so clearly stated, it should be borne in mind that the change proposed in the weight of the dollar might be made, if necessary, so far prospective as to permit most of the private contracts now existing to mature. In point of fact, no practical inconvenience was experienced from the act of Congress of 1834, which reduced the weight of the gold dollar more than five per cent.

14. It is due to the British delegates, Mr. Thomas Graham, master of the royal mint, and Mr. Rivers Wilson, of the British treasury, to acknowledge their personal intelligence and liberty in the conference. They voted in favor of the single standard, and other important propositions, but were compelled, under the strictly limited instructions from their government, formally to state to the conference, (5th "*séance*," page 64,) that, "until it should be incontestably demonstrated that the adoption of a new system offered superior advantages justifying the abandonment of that which was approved by experience, and rooted in the habits of the people, the British government could not take the initiative in assimilating its money with that of the nations of the continent."

The plan proposed by the conference has been formally transmitted to the British government, and will probably be referred, for careful consideration and report, either to a royal commission or a parliamentary committee. This will afford sufficient time, on the one hand, for the advocates of the existing system of pounds, shillings, pence, and farthings, and on the other, for the friends of decimalization and the slight reduction assimilating the sovereign to the continental systems of Europe and America, to take the necessary measures to develop and render effective the matured opinion of the British people. We surely may indulge the hope, that the practical and clear-headed Anglo-Saxon race, now so widely diffused through different quarters of the globe, abandoning narrow prejudices and worn-out traditions, may be found cordially agreeing on a common money for the use of civilized man.

15. The efforts made in behalf of the United States, in the necessary interviews with the imperial authorities, including the Emperor in person, to induce the government of France to issue a gold coin of 25 francs, to "go hand-in-hand throughout the civilized world, in perfect equality with the half-eagle of the United States and the sovereign of Great Britain," have been fully reported to the Department of State in former communications. There was some reason to fear that such a coin might be regarded as approaching too nearly in size the existing "Napoleon," or 20-franc coin. If that were so, it would enhance only the more the sense which must be entertained of the liberal and conciliatory course actually pursued by the imperial government.

At the 5th meeting of the conference, the Prince Napoleon, (Jerome,) at the special instance of the Emperor, and to mark his lively interest in the proposed monetary unification, entered upon the duties of the presidency, which had been discharged with signal ability by M. de Parieu. At the next meeting the question of the coinage of the 25-franc gold piece became the subject of serious discussion, during which Mr. Graham, of the British delegation, after expressing his opinion that a coin either of 25 francs or of 15 francs would inconveniently approach in size the existing coin of 20 francs, inquired whether the government of France "really proposed to issue a coin of 25 francs;" to which it was answered by the prince president, with the courtesy which peculiarly and uniformly characterized his conduct of the presidency, that "if France consulted only her individual convenience, she would see no necessity for issuing the new coin; but for the purpose of facilitating the work of unification, she would make the concession requested by the United States;" adding, moreover, that "the new coin would also promote the convenience both of England and of Austria." The delegate from Spain, the Count Nava de Tajo, thereupon stated that it would also accommodate Spain. The question was then put formally to vote, on which the issue of the 25-franc coin was unanimously recommended. Prussia, Baden, and Wurtemberg abstained from voting, mainly for the local and temporary reasons above referred to.

It is proper to add, that in the repeated interviews on the subject of this important concession by France with Monsieur Rouher, the chief minister of state, he uniformly manifested his cordial and respectful regard for the government and the people of the United States, and his earnest desire to harmonize the monetary systems of the two nations.

16. To prevent any misapprehension on either side of the Atlantic, it should be distinctly understood that the conference do not propose, nor was any proposition or suggestion made in that body, or elsewhere, to the knowledge of the undersigned, to abandon the use in any way of the word "dollar," or "sovereign," or "thaler," or "florin," or "ruble," for any other local denomination of money, or in any way to substitute the word "franc" for any or either of them. By the proposed unification, all those terms will be practically rendered synonymous or mutually convertible, but every nation will continue to use the names, with the local emblems, it may prefer.

That such will be the case is now fully evident from the fact that since the adjournment of the conference in July last a preliminary treaty has been signed by accredited representatives from France and Austria, providing for the issue of a gold coin of the weight and value of twenty-five francs for the international use and convenience of those two important powers, and by which the ten florins of Austria are made precisely equal in weight and value to the twenty-five francs of France, the coin of each nation to be stamped with the head of its respective Emperor.

A specimen or medal in gold, showing the weight and diameter of the proposed coin, with its reverse inscribed "*Or, Essai Monétaire,*" encircling "25 Francs, 10 Florins, 1867," has been already struck by order of the government of France, a duplicate of which was recently delivered at Paris to the Emperor of Austria.

A similar specimen or medal in gold has also been struck, inscribed on its reverse "5 Dollars, 25 Francs, 1867," three duplicates of which, with the proper official letters from M. Dumas, "senator of France and president of the commission on coins and medals," have been intrusted to the undersigned for delivery to the President, to the Secretary of State, and to the Secretary of the Treasury of the United States. A fourth specimen, presented to the undersigned, may be used when necessary for the further illustration of the subject.

The diameter of this international coin is 24 millimetres, exceeding a little that of the present half-eagle of the United States, and that of the sovereign of Great Britain, while the medallion of the Emperor, in bold relief, on the face of the coin to be issued in France, distinguishes it at once from the ordinary "Napoleon" of 20 francs, which is only 21 millimetres in diameter. The counterpart, when issued by the United States, will doubtless bear the proper national emblems, and especially the national monetary motto, "IN GOD WE TRUST."

Should the present effort of the nations of the earth to unify their coin be crowned with success, this specimen medal, the first-born offspring of the International Monetary Conference, bearing its conjoint inscription of "dollars and francs," with its "millésime" or date of issue, will possess an enduring historic value, in recording the commencement of the new monetary era with the precious and indissoluble union of the coinage of the eastern and the western continents.

In closing this communication, the undersigned respectfully begs leave to testify his grateful sense of the steady support in the discharge of his official duty which he has received from the Department of State, and of the cordial co-operation, at Paris, of General John A. Dix, the minister plenipotentiary of the United States.

SAMUEL B. RUGGLES.

Hon. WILLIAM H. SEWARD,
Secretary of State, &c., &c., &c.

APPENDIX No. 1.

Roll of the delegates in the International Monetary Conference at Paris, June, 1867. Alphabetically arranged by nations.

For AUSTRIA: His Excellency M. le Baron de Hock, Privy Councillor, Member of the House of Lords.

For the GRAND DUCHY OF BADEN: M. le Baron de Schweizer, Envoy Extraordinary and Minister Plenipotentiary from Baden, at Paris; M. Dietz, Privy Councillor and Commissioner General of Baden at the Universal Exposition.

For BAVARIA: M. Hermann, Privy Councillor; M. de Haindl, Master of the Mint.

For BELGIUM: M. Fortamps, Director of the Bank of Belgium; M. Stas, Member of the Royal Academy and Commissioner of the Mint.

For DENMARK: M. le Count de Moltke Hvitfeldt, Envoy Extraordinary and Minister Plenipotentiary from Denmark, at Paris.

For ESPAGNE, (Spain:) M. le Count of Nava de Tajo, of the Ministry of Foreign Affairs of Spain.

For les ETATS-UNIS, (United States of America:) Mr. Samuel B. Ruggles, Commissioner to the Universal Exposition.

For FRANCE: His Excellency the Marquis de Moustier, Minister of Foreign Affairs, President of the Conference; M. de Parieu, Vice-President of the Council of State, Member of the Institute, and Vice-President of the Conference; M. de Lavenay, President of the Financial Section of the Council of State; M. Herbert, Minister Plenipotentiary, Director in the Ministry of Foreign Affairs; M. Dutilleul, Director in the Ministry of Finance.

For GREAT BRITAIN: Mr. Thomas Graham, Master of the Royal Mint; Mr. Rivers Wilson, of the Treasury Department.

For GREECE: M. Delyannis, Envoy Extraordinary and Minister Plenipotentiary from Greece, at Paris.

For ITALY: The Chevalier Artom, Councillor of the Italian Legation at Paris; M. Giordono, Inspector of the Royal Corps of Mines and Commissioner to the Universal Exposition.

For les PAYS BAS, (Holland:) M. Vrolik, former Minister of Finance; M. Mees, President of the Bank of Holland.

For PORTUGAL: M. the Count d'Avila, Peer of the Realm, Envoy Extraordinary and Minister Plenipotentiary from Portugal to Spain, Commissioner General at the Universal Exposition; M. the Viscount de Villa Major, Peer of the Realm, Member of the International Jury.

For PRUSSIA: M. Meinecke, of the Superior Privy Council of Finance; M. Herzog, Privy Councillor in the Ministry of Commerce, Commissioner to the Universal Exposition.

For RUSSIA: M. de Jacobi, Privy Councillor, Member of the Imperial Academy of Sciences at St. Petersburg.

For SWEDEN AND NORWAY: M. Wallenberg, Member of the Upper Chamber of the Swedish Diet, Director of the Bank of Stockholm; M. Broch, Member of the Norwegian Storthing, President of the Central Norwegian Commission for the Universal Exposition.

For SWITZERLAND: His Excellency M. Kern, Envoy Extraordinary and Minister Plenipotentiary from Switzerland, at Paris; M. Escher, Master of the Mint of Switzerland; M. Feer Herzog, Member of the National Council of Switzerland.

For TURKEY: His Excellency Djemil Pacha, Ambassador Extraordinary and Minister Plenipotentiary from the Sublime Porte, at Paris; the Colonel Essad Bey, Attaché of the Embassy and Director of the Ottoman Military Academy at Paris; his Excellency Mihran-Bey-Duz, Member of the Grand Council of Justice, Director of the Mint at Constantinople, and Special Delegate from the Ottoman Empire.

For WURTEMBERG: The Baron de Soden, Privy Councillor of the Legation of Wurtemberg.

M. CLAVERY, of the Ministry of Foreign Affairs at Paris, Principal Secretary.

M. ROUX, attached to the Vice-Presidency of the Council of State, Adjunct Secretary.

APPENDIX No. 2.

Monetary Convention concluded December 23, 1865, between France, Belgium, Italy, and Switzerland.

His Majesty the Emperor of the French, his Majesty the King of the Belgians, his Majesty the King of Italy, and the Swiss Confederation, equally animated by the desire to effect a more perfect harmony in their monetary legislation, and to remedy the inconvenience to trade between their respective countries resulting from the diversity of their small silver coins, and to contribute to the uniformity of weights, measures, and coins by forming a monetary union, have therefore resolved to conclude a convention for that purpose, and have named their commissioners plenipotentiary, as follows:

For FRANCE: M. Marie Louis Pierre Felix Esquirou de Parieu and M. Theophile Jules Pelouze.

For BELGIUM: M. Frederic Fortamps and M. A. Kreglinger.

For ITALY: M. Isaac Artom and M. Valentin Pratolongo.

For SWITZERLAND: M. Kern, Minister Plenipotentiary, &c., and M. Feer Herzog, member of Swiss National Council.

These commissioners, having interchanged their respective credentials, agreed upon the following articles:

ARTICLE 1. Belgium, France, Italy, and Switzerland unite to regulate the weight, title, form, and circulation of their gold and silver coins. No change is made for the present, in legislation, relative to copper coins for the four countries.

ART. 2. The high contracting parties bind themselves not to coin, or permit to be coined, any gold other than in pieces of 100, 50, 20, 10, and 5 francs in weight, standard, tolerance, and diameter, as follows: All these coins shall be of the fineness or standard of .900, with a tolerance of two thousandths above or below the legal standard. The tolerance in weight shall be for the 100 and for the 50 franc pieces, one thousandth above or below; for the 20 and 10 franc pieces, two thousandths; for the 5-franc pieces, three thousandths. The weights and diameters are these:

Gold coins.—100 francs, weight 32,258.06 grams, diameter 35 millimetres; 50 francs, weight 16,129.03 grams, diameter 28 millimetres; 20 francs, weight 6,451.61 grams, diameter 21 millimetres; 10 francs, weight 3,225.80 grams, diameter 19 millimetres; 5 francs, weight 1.612.90 grams, diameter 17 millimetres.

The different states will receive all the above coins when not worn to one-half per cent., or the devices effaced.

Art. 3. The contracting governments bind themselves not to coin, or permit to be coined, silver pieces of 5 francs, except in the following weight, standard, tolerance, and diameter: The weight of each 5-franc piece shall be of twenty-five grams; its tolerance in weight, three thousandths; its fineness, .900; its tolerance in standard, two thousandths; and its diameter thirty-seven millimetres.

They will receive the above pieces at par, unless reduced one per cent. by wear, or the device is worn off.

Art. 4. The high contracting parties will coin hereafter pieces of 2 and 1 franc, 50 and 20 centimes, only under the following conditions of weight, standard, tolerance, and diameter. The fineness of these pieces shall be of .835; their tolerance of standard, three thousandths; their tolerance of weight, five thousandths for the first two, .007 for the 50-centime piece, and 010 for the 20-centime piece. Their weights and diameters as follows:

Silver coins.—2 francs, weight 10 grams, diameter 27 millimetres; 1 franc, weight 5 grams, diameter 23 millimetres; 50 centimes, weight 2.50 grams, diameter 18 millimetres; 20 centimes, weight 1 gram, diameter 16 millimetres.

The above pieces shall be recoined by the respective governments when reduced by wear, or when their devices shall have become effaced.

Art. 5. Pieces of 2 and 1 franc and of 50 and 20 centimes of a different coinage from the above shall be withdrawn from circulation by the 1st of January, 1869. This term is extended for the pieces of 2 and 1 franc issued in Switzerland, by the law of January, 1860.

Art. 6. The silver coins authorized in article 4 shall be a legal tender between individuals of the states in which they are issued to the sum of fifty francs. The nation issuing them shall receive them in any amount.

Art. 7. The public banks of each of the four countries will receive the coins of article 4, to the sum of 100 francs, in payment to said banks. The governments of Belgium, France, and Italy will receive the Swiss 2 and 1 franc pieces of 1860, under the same conditions, as equivalent to the coins of article 4, and under the reservation relative to wear.

Art. 8. Each of the contracting governments binds itself to receive from banks or individuals the small coins they have issued, and return the equivalent in current coin, (gold or 5-franc silver pieces,) provided the sum presented be not less than 100 francs. This obligation shall extend two years beyond the expiration of this treaty.

Art. 9. The high contracting parties agree not to issue a greater amount of these 2 and 1 franc, 58 and 20 centime pieces of article 4, than 6 francs for each inhabitant. The amount thus fixed in accordance with the last census and the presumed increase of population is fixed at—

	Francs.
For Belgium	32, 000, 000
For France	239, 000, 000
For Italy	141, 000, 000
For Switzerland	17, 000, 000

Exclusive of the above sums the different governments can issue of coins already in circulation in the following proportions; France, in 50 and 20 centime pieces, by the law of the 25th May, 1864, about 16,000,000; Italy, in 2 and 1 franc, 50 and 20 centime pieces, by the law of the 24th August, 1862, about 100,000,000; Switzerland, in 2 and 1 franc pieces, by the law of 31st January, 1860, about 10,500.000.

ART. 10. Hereafter the year of issue shall be stamped on all the gold and silver coins issued by the four governments.

ART. 11. The contracting governments shall annually state the quantity of their issue of gold and silver coins, and the amount collected for melting. They shall likewise give notice of important facts in regard to the reciprocal circulation of their issues.

ART. 12. Any other nation can join the present convention by accepting its obligations and adopting the monetary system of the Union in regard to gold and silver coins.

ART. 13. The execution of the reciprocal engagements contained in the present convention is left to the high contracting powers, who bind themselves to pass laws for the purpose as soon as possible.

ART. 14. The present convention shall remain in force till the 1st of January, 1880. If it be not repealed a year before the expiration of that term, it shall remain in force for an additional period of fifteen years, and so on until repealed.

ART. 15. The present convention shall be ratified, and the ratifications exchanged at Paris, within six months, or less time, if possible.

APPENDIX No. 3.

Letter from Samuel B. Ruggles, vice-president of the United States commission at the Universal Exposition at Paris, 1867, *and specially designated as member of committee on weights and measures and coins, to Hon. John Sherman, chairman of the Finance Committee of the Senate of the United States of America.*

PARIS, *May* 17, 1866.

MY DEAR SIR: You are of course aware that there is a special "International Committee" now in session at Paris, organized by the Imperial Commission of France, to sit simultaneously with the "Universal Exposition," and composed of delegates from most of the nations therein represented. Its object, among others, is to agree, if possible, on a common unit of money for the use of the civilized world.

It is not improper to mention, that the opinions of the committee appear to be running strongly in favor of adopting as a unit the existing French five-franc piece of gold.

My I ask what, in your opinion, is the probability that the Congress of the United States of America would agree at an early period to reduce the weight and value of our American dollar, to correspond with the present weight and value of the gold five-franc piece in France, and how far such a change would commend itself to your own judgment.

I also ask the privilege of submitting your answer to the consideration of the committee.

With high respect, your obedient servant,

SAMUEL B. RUGGLES.

Answer from Hon. J. Sherman to Samuel B. Ruggles, esq.

HOTEL JARDIN DES TUILERIES,
May 18, 1867.

MY DEAR SIR: Your note of yesterday, inquiring whether Congress would probably, in future coinage, make our gold dollar conform in value to the gold five-franc piece, has been received.

There has been so little discussion in Congress upon the subject, that I cannot base my opinion upon anything said or done there.

The subject has, however, excited the attention of several important commercial bodies in the United States, and the time is now so favorable, that I feel quite sure that Congress will adopt any practical measure that will secure to the commercial world a uniform standard of value and exchange.

The only question will be, how this can be accomplished.

The treaty of December 23, 1865, between France, Italy, Belgium, and Switzerland, and the probable acquiescence in that treaty by Prussia, has laid the foundation for such a standard. If Great Britain will reduce the value of her sovereign twopence, and the United States will reduce the value of her dollar something over three cents, we then have a coinage in the franc, dollar, and sovereign, easily computed, and which will readily pass in all countries—the dollar as five francs, and the sovereign as twenty-five francs.

This will put an end to the loss and intricacies of exchange and discount.

Our gold dollar is certainly as good a unit of value as the franc; and so the English think of their pound sterling.

These coins are now exchangeable only at a considerable loss, and this exchange is a profit only to brokers and bankers. Surely each commercial nation should be willing to yield a little to secure a gold coin of equal value, weight, and diameter, from whatever mint it may have been issued.

As the gold five-franc piece is now in use by over sixty millions of people of several different nationalities, and is of convenient form and size, it may well be adopted by other nations as the common standard of value; leaving to each nation to regulate the divisions of this unit in silver coin or tokens.

If this is done, France will surely abandon the impossible effort of making two standards of value. Gold coins will answer all the purposes of European commerce. A common gold standard will regulate silver coinage, of which the United States will furnish the greater part, especially for the Chinese trade.

I have thought a good deal of how the object you propose may be most readily accomplished. It is clear that the United States cannot become a party to the treaty referred to. They could not agree upon the silver standard; nor could we limit the amount of our coinage, as proposed by the treaty. The United States is so large in extent, is so sparsely populated, and the price of labor is so much higher than in Europe, that we require more currency *per capita*. We now produce the larger part of the gold and silver of the world, and cannot limit our coinage, except by the wants of our people and the demands of commerce.

Congress alone can change the value of our coin. I see no object in negotiating with other powers on the subject. As coin is not now in general circulation with us, we can readily fix by law the size, weight and measure of future issues. It is not worth while to negotiate about that which we can do without negotiation, and we do not wish to limit ourselves by treaty restrictions.

In England, many persons of influence and different chambers of commerce are earnestly in favor of the proposed change in their coinage. The change is so slight with them, that an enlightened self-interest will soon induce them to make it; especially if we make the greater change in our coinage. We will have some difficulty in adjusting existing contracts with the new dollar; but as contracts are now based upon the fluctuating value of paper money, even the reduced dollar in coin will be of more purchasable value than our currency.

We can easily adjust the reduction with the public creditors in the payment or conversion of their securities, while private creditors might be authorized to recover upon the old standard. All these are matters of detail to which I hope the commission will direct their attention.

And now, my dear sir, allow me to say in conclusion, that I heartily sympathize with you and others in your efforts to secure the adoption of the metrical system of weights and measures.

The tendency of the age is to break down all needless restrictions upon social and commercial intercourse. Nations are now as much akin to each other as provinces were of old. Prejudices disappear by contact. People of different nations learn to respect each other as they find that their differences are the effect of social and local custom not founded upon good reasons. I trust that the Industrial Commission will enable the world to compute the value of all productions by the same standard, to measure by the same yard or metre, and weigh by the same scales.

Such a result would be of greater value than the usual employments of diplomatists and statesmen.

I am very truly yours,

JOHN SHERMAN.